

DEPARTMENT OF COMMUNITY HEALTH
EXECUTIVE BUDGET BILL

A bill to make appropriations for the department of community health and certain state purposes related to mental health, public health, and medical services for the fiscal year ending September 30, 2010; to provide for the expenditure of those appropriations; to create funds; to require and provide for reports; to prescribe the powers and duties of certain local and state agencies and departments; and to provide for disposition of fees and other income received by the various state agencies.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, the amounts listed in this part are appropriated for the department of community health for the fiscal year ending September 30, 2010, from the funds indicated in this part. The following is a summary of the appropriations in this part:

DEPARTMENT OF COMMUNITY HEALTH

APPROPRIATION SUMMARY:

Full-time equated unclassified positions6.0

Full-time equated classified positions4,380.1

Average population893.0

GROSS APPROPRIATION	\$ 12,966,966,900
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers	48,677,000
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ADJUSTED GROSS APPROPRIATION.....	\$ 12,918,289,900
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1	Federal revenues:	
2	Federal - FMAP stimulus.....	529,057,100
3	Total other federal revenues.....	7,794,347,600
4	Special revenue funds:	
5	Total local revenues.....	229,677,200
6	Total private revenues.....	70,208,500
7	Merit award trust fund.....	22,899,900
8	Total other state restricted revenues.....	1,470,525,300
9	State general fund/general purpose.....	\$ 2,801,574,300
10	Sec. 102. DEPARTMENTWIDE ADMINISTRATION	
11	Full-time equated unclassified positions6.0	
12	Full-time equated classified positions182.2	
13	Director and other unclassified--6.0 FTE positions....	\$ 598,600
14	Departmental administration and management--172.2	
15	FTE positions	22,470,400
16	Worker's compensation program.....	9,147,100
17	Rent and building occupancy.....	10,778,100
18	Developmental disabilities council and	
19	projects--10.0 FTE positions	<u>2,793,500</u>
20	GROSS APPROPRIATION.....	\$ 45,787,700
21	Appropriated from:	
22	Federal revenues:	
23	Total federal revenues.....	13,605,300
24	Special revenue funds:	
25	Total private revenues.....	35,200
26	Total other state restricted revenues.....	2,366,100
27	State general fund/general purpose.....	\$ 29,781,100
28	Sec. 103. MENTAL HEALTH/SUBSTANCE ABUSE SERVICES	
29	ADMINISTRATION AND SPECIAL PROJECTS	

1	Full-time equated classified positions	123.0	
2	Mental health/substance abuse program		
3	administration--122.0 FTE positions		\$ 15,797,200
4	Consumer involvement program.....		189,100
5	Gambling addiction--1.0 FTE position.....		3,000,000
6	Protection and advocacy services support.....		388,700
7	Community residential and support services.....		2,136,000
8	Highway safety projects.....		400,000
9	Federal and other special projects.....		4,247,700
10	Family support subsidy.....		18,599,200
11	Housing and support services.....		9,306,800
12	Anti-drug abuse grants.....		5,315,200
13	Interdepartmental grant to judiciary for drug		
14	treatment courts		<u>1,800,000</u>
15	GROSS APPROPRIATION.....		\$ 61,179,900
16	Federal revenues:		
17	Total federal revenues.....		44,955,000
18	Special revenue funds:		
19	Total private revenues.....		190,000
20	Total other state restricted revenues.....		3,500,000
21	State general fund/general purpose.....		\$ 12,534,900
22	Sec. 104. COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE		
23	SERVICES PROGRAMS		
24	Full-time equated classified positions	9.5	
25	Medicaid mental health services.....		\$ 1,939,331,800
26	Community mental health non-Medicaid services.....		319,908,700
27	Medicaid adult benefits waiver.....		40,000,000
28	Medicaid substance abuse services.....		41,297,500
29	CMHSP, purchase of state services contracts.....		122,462,400

1	Civil service charges	1,499,300
2	Federal mental health block grant--2.5 FTE positions..	15,374,900
3	State disability assistance program substance abuse	
4	services	2,509,800
5	Community substance abuse prevention, education, and	
6	treatment programs	83,597,700
7	Children's waiver home care program.....	19,549,800
8	Nursing home PAS/ARR-OBRA--7.0 FTE positions.....	12,166,000
9	Children with serious emotional disturbance waiver....	<u>570,000</u>
10	GROSS APPROPRIATION.....	\$ 2,598,267,900
11	Appropriated from:	
12	Federal revenues:	
13	Total other federal revenues.....	1,384,755,100
14	Federal - FMAP stimulus.....	104,355,100
15	Special revenue funds:	
16	Total local revenues.....	25,228,900
17	Total other state restricted revenues.....	11,258,200
18	State general fund/general purpose.....	\$ 1,072,670,600
19	Sec. 105. STATE PSYCHIATRIC HOSPITALS, CENTERS FOR	
20	PERSONS WITH DEVELOPMENTAL DISABILITIES, AND	
21	FORENSIC AND PRISON MENTAL HEALTH SERVICES	
22	Total average population	893.0
23	Full-time equated classified positions	2,590.5
24	Caro regional mental health center - psychiatric	
25	hospital - adult--468.3 FTE positions	\$ 52,809,300
26	Average population	185.0
27	Kalamazoo psychiatric hospital - adult--483.1 FTE	
28	positions	51,065,700
29	Average population	189.0

1	Walter P. Reuther psychiatric hospital -	
2	adult--433.3 FTE positions	46,659,000
3	Average population	234.0
4	Hawthorn center - psychiatric hospital - children	
5	and adolescents--230.9 FTE positions	24,834,000
6	Average population	75.0
7	Mount Pleasant center - developmental	
8	disabilities	2,465,000
9	Center for forensic psychiatry--578.6 FTE positions...	61,686,800
10	Average population	210.0
11	Forensic mental health services provided to the	
12	department of corrections--396.3 FTE positions	45,489,700
13	Revenue recapture.....	750,000
14	IDEA, federal special education.....	120,000
15	Special maintenance and equipment.....	335,300
16	Purchase of medical services for residents of	
17	hospitals and centers	445,600
18	Closed site, transition, and related costs.....	2,050,100
19	Severance pay.....	105,700
20	Gifts and bequests for patient living and treatment	
21	environment	<u>1,000,000</u>
22	GROSS APPROPRIATION.....	\$ 289,816,200
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	Interdepartmental grant from the department of	
26	corrections	45,489,700
27	Federal revenues:	
28	Total other federal revenues.....	30,633,400
29	Federal - FMAP stimulus.....	1,753,200

1	Special revenue funds:	
2	CMHSP, purchase of state services contracts.....	122,462,400
3	Other local revenues.....	16,928,200
4	Total private revenues.....	1,000,000
5	Total other state restricted revenues.....	12,331,700
6	State general fund/general purpose..... \$	59,217,600
7	Sec. 106. PUBLIC HEALTH ADMINISTRATION	
8	Full-time equated classified positions102.7	
9	Public health administration--8.3 FTE positions..... \$	1,647,300
10	Minority health grants and contracts--3.0 FTE	
11	positions102.7	1,500,400
12	Promotion of healthy behaviors.....	2,375,900
13	Vital records and health statistics--91.4 FTE	
14	positions102.7	<u>10,392,000</u>
15	GROSS APPROPRIATION..... \$	15,915,600
16	Appropriated from:	
17	Interdepartmental grant revenues:	
18	Interdepartmental grant from the department of human	
19	services	1,123,900
20	Interdepartmental grant from the department of	
21	state	1,500,000
22	Federal revenues:	
23	Total federal revenues.....	3,736,900
24	Special revenue funds:	
25	Total private revenues.....	1,700,000
26	Total other state restricted revenues.....	6,516,000
27	State general fund/general purpose..... \$	1,338,800
28	Sec. 107. HEALTH POLICY, REGULATION, AND	
29	PROFESSIONS	

1	Full-time equated classified positions	415.6	
2	Health systems administration--193.6 FTE positions....	\$	20,686,300
3	Emergency medical services program state staff--8.5		
4	FTE positions		1,498,400
5	Radiological health administration--21.4 FTE positions		2,947,400
6	Emergency medical services grants and services.....		660,000
7	Health professions--142.0 FTE positions.....		24,204,700
8	Background check program--5.5 FTE positions.....		2,689,900
9	Health policy, regulation, and professions		
10	administration--25.2 FTE positions		3,001,300
11	Nurse scholarship, education, and research		
12	program--3.0 FTE positions		1,718,300
13	Certificate of need program administration--14.0 FTE		
14	positions		1,955,700
15	Rural health services--1.0 FTE position.....		1,237,700
16	Michigan essential health provider.....		861,300
17	Primary care services--1.4 FTE positions.....		<u>4,168,800</u>
18	GROSS APPROPRIATION.....	\$	65,629,800
19	Appropriated from:		
20	Interdepartmental grant revenues:		
21	Interdepartmental grant from the department of		
22	treasury, Michigan state hospital finance authority .		116,300
23	Federal revenues:		
24	Total federal revenues.....		24,128,700
25	Special revenue funds:		
26	Total local revenues.....		227,700
27	Total private revenues.....		455,000
28	Total other state restricted revenues.....		31,222,000
29	State general fund/general purpose.....	\$	9,480,100

1	Sec. 108. INFECTIOUS DISEASE CONTROL	
2	Full-time equated classified positions	51.7
3	AIDS prevention, testing, and care programs--12.7	
4	FTE positions	\$ 41,367,600
5	Immunization local agreements.....	13,990,300
6	Immunization program management and field	
7	support--15.0 FTE positions	2,038,800
8	Pediatric AIDS prevention and control--1.0 FTE	
9	position	1,226,400
10	Sexually transmitted disease control local agreements.	3,360,700
11	Sexually transmitted disease control management and	
12	field support--23.0 FTE positions	<u>3,738,000</u>
13	GROSS APPROPRIATION.....	\$ 65,721,800
14	Appropriated from:	
15	Federal revenues:	
16	Total federal revenues.....	42,128,500
17	Special revenue funds:	
18	Total private revenues.....	10,873,600
19	Total other state restricted revenues.....	9,185,200
20	State general fund/general purpose.....	\$ 3,534,500
21	Sec. 109. LABORATORY SERVICES	
22	Full-time equated classified positions	123.0
23	Bovine tuberculosis--1.0 FTE position.....	\$ 200,400
24	Laboratory services--122.0 FTE positions.....	<u>18,439,100</u>
25	GROSS APPROPRIATION.....	\$ 18,639,500
26	Appropriated from:	
27	Interdepartmental grant revenues:	
28	Interdepartmental grant from the department of	
29	environmental quality	447,100

1	Federal revenues:	
2	Total federal revenues	1,683,600
3	Special revenue funds:	
4	Total other state restricted revenues	9,048,100
5	State general fund/general purpose	\$ 7,460,700
6	Sec. 110. EPIDEMIOLOGY	
7	Full-time equated classified positions	131.0
8	AIDS surveillance and prevention program	\$ 2,254,100
9	Asthma prevention and control--2.6 FTE positions	1,068,800
10	Bioterrorism preparedness--68.6 FTE positions	49,405,100
11	Epidemiology administration--42.3 FTE positions	8,133,800
12	Lead abatement program--7.0 FTE positions	2,191,300
13	Newborn screening follow-up and treatment	
14	services--10.5 FTE positions	4,692,100
15	Tuberculosis control and prevention	<u>867,000</u>
16	GROSS APPROPRIATION	\$ 68,612,200
17	Appropriated from:	
18	Federal revenues:	
19	Total federal revenues	60,390,800
20	Special revenue funds:	
21	Total local revenues	500,000
22	Total private revenues	25,000
23	Total other state restricted revenues	5,295,200
24	State general fund/general purpose	\$ 2,401,200
25	Sec. 111. LOCAL HEALTH ADMINISTRATION AND GRANTS	
26	Implementation of 1993 PA 133, MCL 333.17015	\$ 50,000
27	Local health services	220,000
28	Local public health operations	40,618,400
29	Medicaid outreach cost reimbursement to local health	

1	departments	9,000,000
2	GROSS APPROPRIATION.....	\$ 49,888,400
3	Appropriated from:	
4	Federal revenues:	
5	Total federal revenues.....	9,000,000
6	Special revenue funds:	
7	Total local revenues.....	5,150,000
8	Total other state restricted revenues.....	220,000
9	State general fund/general purpose.....	\$ 35,518,400
10	Sec. 112. CHRONIC DISEASE AND INJURY PREVENTION AND	
11	HEALTH PROMOTION	
12	Full-time equated classified positions	75.3
13	Alzheimer's information network.....	389,500
14	Cancer prevention and control program--12.0 FTE	
15	positions	15,219,900
16	Chronic disease prevention--27.7 FTE positions.....	6,190,700
17	Diabetes and kidney program--12.2 FTE positions.....	4,022,700
18	Health education, promotion, and research	
19	programs--6.5 FTE positions	829,600
20	Injury control intervention project.....	104,500
21	Public health traffic safety coordination--1.0 FTE	
22	position	445,100
23	Smoking prevention program--14.0 FTE positions.....	5,752,400
24	Tobacco tax collection and enforcement.....	610,000
25	Violence prevention--1.9 FTE positions.....	1,892,900
26	GROSS APPROPRIATION.....	\$ 35,457,300
27	Appropriated from:	
28	Federal revenues:	
29	Total federal revenues.....	22,288,600

1	Special revenue funds:	
2	Total private revenues.....	146,600
3	Total other state restricted revenues.....	11,099,500
4	State general fund/general purpose..... \$	1,922,600
5	Sec. 113. FAMILY, MATERNAL, AND CHILDREN'S HEALTH	
6	SERVICES	
7	Full-time equated classified positions56.3	
8	Childhood lead program--6.0 FTE positions..... \$	2,766,600
9	Dental programs--3.0 FTE positions.....	1,119,400
10	Dental program for persons with developmental	
11	disabilities	151,000
12	Family, maternal, and children's health services	
13	administration--43.6 FTE positions	5,655,900
14	Family planning local agreements.....	9,493,800
15	Local MCH services.....	7,264,200
16	Migrant health care.....	272,200
17	Pregnancy prevention program.....	5,149,800
18	Prenatal care outreach and service delivery support...	1,427,200
19	School health and education programs--1.0 FTE	
20	positions	501,500
21	Special projects--2.7 FTE positions.....	3,757,400
22	Sudden infant death syndrome program.....	<u>321,300</u>
23	GROSS APPROPRIATION..... \$	37,880,300
24	Appropriated from:	
25	Federal revenues:	
26	Total federal revenues.....	26,420,200
27	Special revenue funds:	
28	Total local revenues.....	75,000
29	Total other state restricted revenues.....	7,751,900

1	State general fund/general purpose.....	\$	3,633,200
2	Sec. 114. WOMEN, INFANTS, AND CHILDREN FOOD AND		
3	NUTRITION PROGRAM		
4	Full-time equated classified positions	43.0	
5	Women, infants, and children program administration		
6	and special projects--43.0 FTE positions	\$	9,554,800
7	Women, infants, and children program local		
8	agreements and food costs		<u>236,506,700</u>
9	GROSS APPROPRIATION.....	\$	246,061,500
10	Appropriated from:		
11	Federal revenues:		
12	Total federal revenues.....		192,815,400
13	Special revenue funds:		
14	Total private revenues.....		53,246,100
15	State general fund/general purpose.....	\$	0
16	Sec. 115. CHILDREN'S SPECIAL HEALTH CARE SERVICES		
17	(CSHCS)		
18	Full-time equated classified positions	47.8	
19	Children's special health care services		
20	administration--45.0 FTE positions	\$	4,927,000
21	Amputee program.....		184,600
22	Bequests for care and services--2.8 FTE positions.....		1,514,600
23	Outreach and advocacy.....		3,773,500
24	Non-emergency medical transportation.....		2,711,200
25	Medical care and treatment.....		<u>203,782,100</u>
26	GROSS APPROPRIATION.....	\$	216,893,000
27	Appropriated from:		
28	Federal revenues:		
29	Total other federal revenues.....		124,765,900

1	Federal - FMAP stimulus.....	9,250,500
2	Special revenue funds:	
3	Total private revenues.....	1,000,000
4	Total other state restricted revenues.....	3,396,900
5	State general fund/general purpose..... \$	78,479,700
6	Sec. 116. CRIME VICTIM SERVICES COMMISSION	
7	Full-time equated classified positions11.0	
8	Grants administration services--11.0 FTE positions.... \$	1,498,200
9	Justice assistance grants.....	13,000,000
10	Crime victim rights services grants.....	12,500,000
11	Crime victim's rights fund revenue to Michigan state	
12	police	1,053,300
13	Crime victim's rights fund revenue to department of	
14	human services	<u>1,300,000</u>
15	GROSS APPROPRIATION..... \$	29,351,500
16	Appropriated from:	
17	Federal revenues:	
18	Total federal revenues.....	15,055,300
19	Special revenue funds:	
20	Total other state restricted revenues.....	14,296,200
21	State general fund/general purpose..... \$	0
22	Sec. 117. OFFICE OF SERVICES TO THE AGING	
23	Full-time equated classified positions37.5	
24	Commission (per diem \$50.00)..... \$	10,500
25	Office of services to aging administration--37.5 FTE	
26	positions	5,456,300
27	Community services.....	35,569,100
28	Nutrition services.....	37,250,300
29	Foster grandparent volunteer program.....	2,639,600

1	Retired and senior volunteer program.....	741,300
2	Senior companion volunteer program.....	1,896,300
3	Employment assistance.....	3,449,500
4	Respite care program.....	<u>6,800,000</u>
5	GROSS APPROPRIATION.....	\$ 93,812,900
6	Appropriated from:	
7	Federal revenues:	
8	Total federal revenues.....	53,879,600
9	Special revenue funds:	
10	Total private revenues.....	537,000
11	Merit award trust fund.....	5,000,000
12	Total other state restricted revenues.....	1,967,000
13	State general fund/general purpose.....	\$ 32,429,300
14	Sec. 118. MEDICAL SERVICES ADMINISTRATION	
15	Full-time equated classified positions	380.0
16	Medical services administration--380.0 FTE positions..	\$ 61,707,500
17	Facility inspection contract.....	132,800
18	MIChild administration.....	<u>4,327,800</u>
19	GROSS APPROPRIATION.....	\$ 66,168,100
20	Appropriated from:	
21	Federal revenues:	
22	Total federal revenues.....	45,829,600
23	Total local revenues.....	5,000
24	Total other state restricted revenues.....	97,800
25	State general fund/general purpose.....	\$ 20,235,700
26	Sec. 119. MEDICAL SERVICES	
27	Hospital services and therapy.....	\$ 1,222,685,500
28	Hospital disproportionate share payments.....	50,000,000
29	Physician services.....	309,785,300

1	Medicare premium payments.....	357,350,800
2	Pharmaceutical services.....	239,297,600
3	Home health services.....	6,889,900
4	Hospice services.....	104,666,000
5	Transportation.....	22,947,500
6	Auxiliary medical services.....	12,161,700
7	Dental services.....	130,449,500
8	Ambulance services.....	23,422,700
9	Long-term care services.....	2,020,156,300
10	Single point of entry.....	12,724,200
11	Health plan services.....	3,600,420,400
12	MIChild program.....	41,378,000
13	Plan first family planning waiver.....	8,782,200
14	Medicaid adult benefits waiver.....	138,871,700
15	Special indigent care payments.....	88,518,500
16	Federal Medicare pharmaceutical program.....	183,611,800
17	Promotion of healthy behavior waiver.....	10,000,000
18	Maternal and child health.....	20,279,500
19	Social services to the physically disabled.....	1,344,900
20	Subtotal basic medical services program.....	8,605,744,000
21	School-based services.....	64,630,600
22	Special Medicaid reimbursement.....	238,574,100
23	Subtotal special medical services payments.....	<u>303,204,700</u>
24	GROSS APPROPRIATION.....	\$ 8,908,948,700
25	Appropriated from:	
26	Federal revenues:	
27	Total other federal revenues.....	5,661,049,900
28	Federal - FMAP stimulus.....	413,698,300
29	Special revenue funds:	

1	Total local revenues.....	59,100,000
2	Total private revenues.....	1,000,000
3	Merit award trust fund.....	17,899,900
4	Total other state restricted revenues.....	1,337,399,600
5	State general fund/general purpose.....	\$ 1,418,801,000
6	Sec. 120. INFORMATION TECHNOLOGY	
7	Information technology services and projects.....	\$ 36,133,500
8	Michigan Medicaid information system.....	<u>16,801,100</u>
9	GROSS APPROPRIATION.....	\$ 52,934,600
10	Appropriated from:	
11	Federal revenues:	
12	Total federal revenues.....	37,225,800
13	Special revenue funds:	
14	Total other state restricted revenues.....	3,573,900
15	State general fund/general purpose.....	\$ 12,134,900

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18 PART 2
19 PROVISIONS CONCERNING APPROPRIATIONS

20 **GENERAL SECTIONS**

21 Sec. 201. Pursuant to section 30 of article IX of the state
22 constitution of 1963, total state spending from state resources
23 under part 1 for fiscal year 2009-2010 is \$4,294,999,500.00 and
24 state spending from state resources to be paid to local units of
25 government for fiscal year 2009-2010 is \$1,330,708,300.00. The
26 itemized statement below identifies appropriations from which
27 spending to local units of government will occur:

28 DEPARTMENT OF COMMUNITY HEALTH
29 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION

1	AND SPECIAL PROJECTS		
2	Community residential and support services.....	\$	344,600
3	Housing and support services.....		599,800
4	COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS		
5	State disability assistance program substance		
6	abuse services	\$	2,509,800
7	Community substance abuse prevention, education, and		
8	treatment programs		11,583,100
9	Medicaid mental health services.....		587,466,400
10	Community mental health non-Medicaid services.....		319,908,700
11	Medicaid adult benefits waiver.....		10,308,000
12	Medicaid substance abuse services.....		13,041,800
13	Children's waiver home care program.....		5,952,800
14	Nursing home PASARR.....		2,738,400
15	STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH		
16	DEVELOPMENTAL DISABILITIES, AND FORENSIC AND PRISON		
17	MENTAL HEALTH SERVICES		
18	Center for forensic psychiatry.....	\$	290,300
19	PUBLIC HEALTH ADMINISTRATION		
20	Minority health grants and contracts.....	\$	241,000
21	Public health administration.....		61,500
22	HEALTH POLICY, REGULATION, AND PROFESSIONS		
23	Nurse scholarship, education, and research programs...	\$	72,600
24	Primary care services.....		115,600
25	INFECTIOUS DISEASE CONTROL		
26	AIDS prevention, testing, and care programs.....	\$	865,700
27	Immunization local agreements.....		2,158,100
28	Immunization program management and field support.....		30,300
29	Sexually transmitted disease control local agreements.		191,200

1	LABORATORY SERVICES		
2	Laboratory services	\$	3,300
3	EPIDEMIOLOGY		
4	Epidemiology administration	\$	125,000
5	LOCAL HEALTH ADMINISTRATION AND GRANTS		
6	Implementation of 1993 PA 133	\$	5,300
7	Local public health operations		35,468,400
8	CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION		
9	Cancer prevention and control program	\$	397,300
10	Chronic disease prevention		261,600
11	Diabetes and kidney program		357,700
12	Smoking prevention program		959,900
13	FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES		
14	Childhood lead program	\$	244,000
15	Family, maternal, and children's health		
16	administration		87,100
17	Local MCH services		246,100
18	Pregnancy prevention program		1,558,800
19	Prenatal care outreach and service delivery support...		697,800
20	School health and education programs		297,000
21	Special projects		819,800
22	CHILDREN'S SPECIAL HEALTH CARE SERVICES		
23	Medical care and treatment	\$	451,100
24	Outreach and advocacy		3,077,500
25	MEDICAL SERVICES		
26	Dental services	\$	2,348,100
27	Long-term care services		262,002,000
28	Transportation		5,736,900
29	Medicaid adult benefits waiver		9,443,300

1	Hospital services and therapy.....	6,113,400
2	Physician services.....	3,717,400
3	OFFICE OF SERVICES TO THE AGING	
4	Community services.....	\$ 13,599,200
5	Nutrition services.....	10,750,100
6	Foster grandparent volunteer program.....	565,000
7	Retired and senior volunteer program.....	154,700
8	Senior companion volunteer program.....	99,600
9	Respite care program.....	5,841,200
10	CRIME VICTIM SERVICES COMMISSION	
11	Crime victim rights services grants.....	\$ <u>6,800,000</u>
12	TOTAL OF PAYMENTS TO LOCAL UNITS	
13	OF GOVERNMENT.....	\$ 1,330,708,300
14	Sec. 202. (1) The appropriations authorized under this bill	
15	are subject to the management and budget act, 1984 PA 431, MCL	
16	18.1101 to 18.1594.	
17	(2) Funds for which the state is acting as the custodian or	
18	agent are not subject to annual appropriation.	
19	Sec. 203. As used in this bill:	
20	(a) "AIDS" means acquired immunodeficiency syndrome.	
21	(b) "CMHSP" means a community mental health services program	
22	as that term is defined in section 100a of the mental health code,	
23	1974 PA 258, MCL 330.1100a.	
24	(c) "Department" means the Michigan department of community	
25	health.	
26	(d) "Director" means the director of the department.	
27	(e) "DSH" means disproportionate share hospital.	
28	(f) "EPSDT" means early and periodic screening, diagnosis, and	
29	treatment.	

1 (g) "Federal poverty level" means the poverty guidelines
2 published annually in the federal register by the United States
3 department of health and human services under its authority to
4 revise the poverty line under 42 USC 9902.

5 (h) "FMAP" means federal medical assistance percentage.

6 (i) "FTE" means full-time equated.

7 (j) "GME" means graduate medical education.

8 (k) "Health plan" means, at a minimum, an organization that
9 meets the criteria for delivering the comprehensive package of
10 services under the department's comprehensive health plan.

11 (l) "HIV/AIDS" means human immunodeficiency virus/acquired
12 immune deficiency syndrome.

13 (m) "HMO" means health maintenance organization.

14 (n) "IDEA" means the individuals with disabilities education
15 act, 20 USC 1400 to 1482.

16 (o) "IDG" means interdepartmental grant.

17 (p) "MCH" means maternal and child health.

18 (q) "MICHild" means the program described in section 1670.

19 (r) "MIHP" means maternal infant health program.

20 (s) "PASARR" means the preadmission screening and annual
21 resident review required under the omnibus budget reconciliation
22 act of 1987, section 1919(e)(7) of the social security act, 42 USC
23 1396r.

24 (t) "PIHP" means a specialty prepaid inpatient health plan for
25 Medicaid mental health services, services to persons with
26 developmental disabilities, and substance abuse services as
27 described in section 232b of the mental health code, 1974 PA 258,
28 MCL 330.1232b.

1 (u) "Title XVIII" means title XVIII of the social security
2 act, 42 USC 1395 to 1395hhh.

3 (v) "Title XIX" means title XIX of the social security act, 42
4 USC 1396 to 1396v.

5 (w) "Title XX" means title XX of the social security act, 42
6 USC 1397 to 1397f.

7 (x) "WIC" means women, infants, and children supplemental
8 nutrition program.

9 Sec. 204. The civil service commission shall bill the
10 department at the end of the first fiscal quarter for the charges
11 authorized by section 5 of article XI of the state constitution of
12 1963. The department shall pay the total amount of the billing by
13 the end of the second fiscal quarter.

14 Sec. 206. (1) In addition to the funds appropriated in part 1,
15 there is appropriated an amount not to exceed \$100,000,000.00 for
16 federal contingency funds. These funds are not available for
17 expenditure until they have been transferred to another line item
18 in this bill under section 393(2) of the management and budget act,
19 1984 PA 431, MCL 18.1393.

20 (2) In addition to the funds appropriated in part 1, there is
21 appropriated an amount not to exceed \$20,000,000.00 for state
22 restricted contingency funds. These funds are not available for
23 expenditure until they have been transferred to another line item
24 in this bill under section 393(2) of the management and budget act,
25 1984 PA 431, MCL 18.1393.

26 (3) In addition to the funds appropriated in part 1, there is
27 appropriated an amount not to exceed \$20,000,000.00 for local
28 contingency funds. These funds are not available for expenditure
29 until they have been transferred to another line item in this bill

1 under section 393(2) of the management and budget act, 1984 PA 431,
2 MCL 18.1393.

3 (4) In addition to the funds appropriated in part 1, there is
4 appropriated an amount not to exceed \$10,000,000.00 for private
5 contingency funds. These funds are not available for expenditure
6 until they have been transferred to another line item in this bill
7 under section 393(2) of the management and budget act, 1984 PA 431,
8 MCL 18.1393.

9 Sec. 208. The department shall use the Internet to fulfill the
10 reporting requirements of this bill. This requirement may include
11 transmission of reports via electronic mail to the recipients
12 identified for each reporting requirement, or it may include
13 placement of reports on the Internet or Intranet site.

14 Sec. 209. Funds appropriated in part 1 shall not be used for
15 the purchase of foreign goods or services, or both, if
16 competitively priced and of comparable quality American goods or
17 services, or both, are available. Preference shall be given to
18 goods or services, or both, manufactured or provided by Michigan
19 businesses if they are competitively priced and of comparable
20 quality. In addition, preference shall be given to goods or
21 services, or both, that are manufactured or provided by Michigan
22 businesses owned and operated by veterans if they are competitively
23 priced and of comparable quality.

24 Sec. 210. The director shall take all reasonable steps to
25 ensure businesses in deprived and depressed communities compete for
26 and perform contracts to provide services or supplies, or both. The
27 director shall strongly encourage firms with which the department
28 contracts to subcontract with certified businesses in depressed and
29 deprived communities for services, supplies, or both.

1 Sec. 211. (1) If the revenue collected by the department from
2 fees and collections exceeds the amount appropriated in part 1, the
3 revenue may be carried forward with the approval of the state
4 budget director into the subsequent fiscal year. The revenue
5 carried forward under this section shall be used as the first
6 source of funds in the subsequent fiscal year.

7 (2) The department shall provide a report to the senate and
8 house appropriations subcommittees on community health and the
9 senate and house fiscal agencies on the balance of each of the
10 restricted funds administered by the department as of September 30
11 of the current fiscal year.

12 Sec. 212. (1) From the amounts appropriated in part 1, no
13 greater than the following amounts are supported with federal
14 maternal and child health block grant, preventive health and health
15 services block grant, substance abuse block grant, healthy Michigan
16 fund, and Michigan health initiative funds:

17 (a) Maternal and child health block grant	\$ 19,030,900
18 (b) Preventive health and health services	
19 block grant	3,589,800
20 (c) Substance abuse block grant	60,632,200
21 (d) Healthy Michigan fund	37,428,200
22 (e) Michigan health initiative	9,100,000

23 (2) On or before February 1 of the current fiscal year, the
24 department shall report to the house of representatives and senate
25 appropriations subcommittees on community health, the house and
26 senate fiscal agencies, and the state budget director on the
27 detailed name and amounts of federal, restricted, private, and
28 local sources of revenue that support the appropriations in each of
29 the line items in part 1 of this bill.

1 (3) Upon the release of the next fiscal year executive budget
2 recommendation, the department shall report to the same parties in
3 subsection (2) on the amounts and detailed sources of federal,
4 restricted, private, and local revenue proposed to support the
5 total funds appropriated in each of the line items in part 1 of the
6 next fiscal year executive budget proposal.

7 Sec. 213. The state departments, agencies, and commissions
8 receiving tobacco tax funds and healthy Michigan funds from part 1
9 shall report by April 1 of the current fiscal year to the senate
10 and house of representatives appropriations committees, the senate
11 and house fiscal agencies, and the state budget director on the
12 following:

13 (a) Detailed spending plan by appropriation line item
14 including description of programs and a summary of organizations
15 receiving these funds.

16 (b) Description of allocations or bid processes including need
17 or demand indicators used to determine allocations.

18 (c) Eligibility criteria for program participation and maximum
19 benefit levels where applicable.

20 (d) Outcome measures used to evaluate programs, including
21 measures of the effectiveness of these programs in improving the
22 health of Michigan residents.

23 (e) Any other information considered necessary by the house of
24 representatives or senate appropriations committees or the state
25 budget director.

26 Sec. 214. The use of state-restricted tobacco tax revenue
27 received for the purpose of tobacco prevention, education, and
28 reduction efforts and deposited in the healthy Michigan fund shall
29 not be used for lobbying as defined in section 5 of 1978 PA 472,

1 MCL 4.415, and shall not be used in attempting to influence the
2 decisions of the legislature, the governor, or any state agency.

3 Sec. 216. (1) In addition to funds appropriated in part 1 for
4 all programs and services, there is appropriated for write-offs of
5 accounts receivable, deferrals, and for prior year obligations in
6 excess of applicable prior year appropriations, an amount equal to
7 total write-offs and prior year obligations, but not to exceed
8 amounts available in prior year revenues.

9 (2) The department's ability to satisfy appropriation
10 deductions in part 1 shall not be limited to collections and
11 accruals pertaining to services provided in the current fiscal
12 year, but shall also include reimbursements, refunds, adjustments,
13 and settlements from prior years.

14 Sec. 218. The department shall include the following in its
15 annual list of proposed basic health services as required in part
16 23 of the public health code, 1978 PA 368, MCL 333.2301 to
17 333.2321:

18 (a) Immunizations.

19 (b) Communicable disease control.

20 (c) Sexually transmitted disease control.

21 (d) Tuberculosis control.

22 (e) Prevention of gonorrhea eye infection in newborns.

23 (f) Screening newborns for the conditions listed in section
24 5431 of the public health code, 1978 PA 368, MCL 333.5431, or
25 recommended by the newborn screening quality assurance advisory
26 committee created under section 5430 of the public health code,
27 1978 PA 368, MCL 333.5430.

28 (g) Community health annex of the Michigan emergency
29 management plan.

1 (h) Prenatal care.

2 Sec. 219. (1) The department may contract with the Michigan
3 public health institute for the design and implementation of
4 projects and for other public health-related activities prescribed
5 in section 2611 of the public health code, 1978 PA 368, MCL
6 333.2611. The department may develop a master agreement with the
7 institute to carry out these purposes for up to a 3-year period.
8 The department shall report to the house of representatives and
9 senate appropriations subcommittees on community health, the house
10 and senate fiscal agencies, and the state budget director on or
11 before November 1 and May 1 of the current fiscal year all of the
12 following:

13 (a) A detailed description of each funded project.

14 (b) The amount allocated for each project, the appropriation
15 line item from which the allocation is funded, and the source of
16 financing for each project.

17 (c) The expected project duration.

18 (d) A detailed spending plan for each project, including a
19 list of all subgrantees and the amount allocated to each
20 subgrantee.

21 (2) On or before September 30 of the current fiscal year, the
22 department shall provide to the same parties listed in subsection
23 (1) a copy of all reports, studies, and publications produced by
24 the Michigan public health institute, its subcontractors, or the
25 department with the funds appropriated in part 1 and allocated to
26 the Michigan public health institute.

27 Sec. 220. All contracts with the Michigan public health
28 institute funded with appropriations in part 1 shall include a
29 requirement that the Michigan public health institute submit to

1 financial and performance audits by the state auditor general of
2 projects funded with state appropriations.

3 Sec. 223. In addition to the appropriations in part 1, the
4 department may establish and collect fees for publications, videos
5 and related materials, conferences, and workshops. Collected fees
6 shall be used to offset expenditures to pay for printing and
7 mailing costs of the publications, videos and related materials,
8 and costs of the workshops and conferences. The department shall
9 not collect fees under this section that exceed the cost of the
10 expenditures.

11 Sec. 259. From the funds appropriated in part 1 for
12 information technology, the department shall pay user fees to the
13 department of information technology for technology-related
14 services and projects. Such user fees shall be subject to
15 provisions of an interagency agreement between the department and
16 the department of information technology.

17 Sec. 261. Funds appropriated in part 1 for the Medicaid
18 management information system upgrade are contingent upon approval
19 of an advanced planning document from the centers for Medicare and
20 Medicaid services. If the necessary matching funds are identified
21 and legislatively transferred to this line item, the corresponding
22 federal Medicaid revenue shall be appropriated at a 90/10
23 federal/state match rate. This appropriation may be designated as a
24 work project and carried forward to support completion of this
25 project.

26 Sec. 266. (1) Due to the current budgetary problems in this
27 state, out-of-state travel shall be limited to situations in which
28 1 or more of the following conditions apply:

1 (a) The travel is required by legal mandate or court order or
2 for law enforcement purposes.

3 (b) The travel is necessary to protect the health or safety of
4 Michigan citizens or visitors or to assist other states in similar
5 circumstances.

6 (c) The travel is necessary to produce budgetary savings or to
7 increase state revenues, including protecting existing federal
8 funds or securing additional federal funds.

9 (d) The travel is necessary to comply with federal
10 requirements.

11 (e) The travel is necessary to secure specialized training for
12 staff that is not available within this state.

13 (f) The travel is financed entirely by federal or nonstate
14 funds.

15 (2) Not later than January 1 of each year, each department
16 shall prepare a travel report listing all travel by classified and
17 unclassified employees outside this state in the immediately
18 preceding fiscal year that was funded in whole or in part with
19 funds appropriated in the department's budget. The report shall be
20 submitted to the senate and house of representatives standing
21 committees on appropriations, the senate and house fiscal agencies,
22 and the state budget director. The report shall include the
23 following information:

24 (a) The name of each person receiving reimbursement for travel
25 outside this state or whose travel costs were paid by this state.

26 (b) The destination of each travel occurrence.

27 (c) The dates of each travel occurrence.

28 (d) A brief statement of the reason for each travel
29 occurrence.

1 (e) The transportation and related costs of each travel
2 occurrence, including the proportion funded with state general
3 fund/general purpose revenues, the proportion funded with state-
4 restricted revenues, the proportion funded with federal revenues,
5 and the proportion funded with other revenues.

6 (f) A total of all out-of-state travel funded for the
7 immediately preceding fiscal year.

8 Sec. 269. The amount appropriated in part 1 for medical
9 services pharmaceutical services includes funds to cover
10 reimbursement of mental health medications under the Medicaid
11 program.

12 Sec. 276. Funds appropriated in part 1 shall not be used by a
13 principal executive department, state agency, or authority to hire
14 a person to provide legal services that are the responsibility of
15 the attorney general. This prohibition does not apply to legal
16 services for bonding activities and for those activities that the
17 attorney general authorizes.

18 19 **DEPARTMENTWIDE ADMINISTRATION**

20 Sec. 301. From funds appropriated for worker's compensation,
21 the department may make payments in lieu of worker's compensation
22 payments for wage and salary and related fringe benefits for
23 employees who return to work under limited duty assignments.

24 Sec. 303. The department shall not require first-party payment
25 from individuals or families with a taxable income of \$10,000.00 or
26 less for mental health services for determinations made under
27 section 818 of the mental health code, 1974 PA 258, MCL 330.1818.

1 MENTAL HEALTH/SUBSTANCE ABUSE SERVICES ADMINISTRATION AND SPECIAL
2 PROJECTS

3 Sec. 350. The department may enter into a contract with the
4 protection and advocacy agency, authorized under section 931 of the
5 mental health code, 1974 PA 258, MCL 330.1931, or a similar
6 organization to provide legal services for purposes of gaining and
7 maintaining occupancy in a community living arrangement that is
8 under lease or contract with the department or a community mental
9 health services program to provide services to persons with mental
10 illness or developmental disability.

11 Sec. 351. The department shall provide \$1,800,000.00 in Byrne
12 justice assistance grant program funding to the judiciary by
13 interdepartmental grant.

14
15 COMMUNITY MENTAL HEALTH/SUBSTANCE ABUSE SERVICES PROGRAMS

16 Sec. 401. Funds appropriated in part 1 are intended to support
17 a system of comprehensive community mental health services under
18 the full authority and responsibility of local CMHSPs or PIHPs. The
19 department shall ensure that each CMHSP or PIHP provides all of the
20 following:

21 (a) A system of single entry and single exit.

22 (b) A complete array of mental health services that includes,
23 but is not limited to, all of the following services: residential
24 and other individualized living arrangements, outpatient services,
25 acute inpatient services, and long-term, 24-hour inpatient care in
26 a structured, secure environment.

27 (c) The coordination of inpatient and outpatient hospital
28 services through agreements with state-operated psychiatric
29 hospitals, units, and centers in facilities owned or leased by the

1 state, and privately-owned hospitals, units, and centers licensed
2 by the state pursuant to sections 134 through 149b of the mental
3 health code, 1974 PA 258, MCL 330.1134 to 330.1149b.

4 (d) Individualized plans of service that are sufficient to
5 meet the needs of individuals, including those discharged from
6 psychiatric hospitals or centers, and that ensure the full range of
7 recipient needs is addressed through the CMHSP's or PIHP's program
8 or through assistance with locating and obtaining services to meet
9 these needs.

10 (e) A system of case management or care management to monitor
11 and ensure the provision of services consistent with the
12 individualized plan of services or supports.

13 (f) A system of continuous quality improvement.

14 (g) A system to monitor and evaluate the mental health
15 services provided.

16 (h) A system that serves at-risk and delinquent youth as
17 required under the provisions of the mental health code, 1974 PA
18 258, MCL 330.1001 to 330.2106.

19 Sec. 402. (1) From funds appropriated in part 1, final
20 authorizations to CMHSPs or PIHPs shall be made upon the execution
21 of contracts between the department and CMHSPs or PIHPs. The
22 contracts shall contain an approved plan and budget as well as
23 policies and procedures governing the obligations and
24 responsibilities of both parties to the contracts. Each contract
25 with a CMHSP or PIHP that the department is authorized to enter
26 into under this subsection shall include a provision that the
27 contract is not valid unless the total dollar obligation for all of
28 the contracts between the department and the CMHSPs or PIHPs
29 entered into under this subsection for the current fiscal year does

1 not exceed the amount of money appropriated in part 1 for the
2 contracts authorized under this subsection.

3 (2) The department shall immediately report to the senate and
4 house of representatives appropriations subcommittees on community
5 health, the senate and house fiscal agencies, and the state budget
6 director if either of the following occurs:

7 (a) Any new contracts with CMHSPs or PIHPs that would affect
8 rates or expenditures are enacted.

9 (b) Any amendments to contracts with CMHSPs or PIHPs that
10 would affect rates or expenditures are enacted.

11 (3) The report required by subsection (2) shall include
12 information about the changes and their effects on rates and
13 expenditures.

14 Sec. 404. (1) Not later than May 31 of the current fiscal
15 year, the department shall provide a report on the community mental
16 health services programs to the members of the house of
17 representatives and senate appropriations subcommittees on
18 community health, the house and senate fiscal agencies, and the
19 state budget director that includes the information required by
20 this section.

21 (2) The report shall contain information for each CMHSP or
22 PIHP and a statewide summary, each of which shall include at least
23 the following information:

24 (a) A demographic description of service recipients which,
25 minimally, shall include reimbursement eligibility, client
26 population, age, ethnicity, housing arrangements, and diagnosis.

27 (b) Per capita expenditures by client population group.

28 (c) Financial information that, minimally, includes a
29 description of funding authorized; expenditures by client group and

1 fund source; and cost information by service category, including
2 administration. Service category includes all department-approved
3 services.

4 (d) Data describing service outcomes that includes, but is not
5 limited to, an evaluation of consumer satisfaction, consumer
6 choice, and quality of life concerns including, but not limited to,
7 housing and employment.

8 (e) Information about access to community mental health
9 services programs that includes, but is not limited to, the
10 following:

11 (i) The number of people receiving requested services.

12 (ii) The number of people who requested services but did not
13 receive services.

14 (f) The number of second opinions requested under the code and
15 the determination of any appeals.

16 (g) An analysis of information provided by CMHSPs in response
17 to the needs assessment requirements of the mental health code,
18 1974 PA 258, MCL 330.1001 to 330.2106, including information about
19 the number of persons in the service delivery system who have
20 requested and are clinically appropriate for different services.

21 (h) Lapses and carryforwards during the immediately preceding
22 fiscal year for CMHSPs or PIHPs.

23 (i) Information about contracts for mental health services
24 entered into by CMHSPs or PIHPs with providers, including, but not
25 limited to, all of the following:

26 (i) The amount of the contract, organized by type of service
27 provided.

28 (ii) Payment rates, organized by the type of service provided.

1 (iii) Administrative costs for services provided to CMHSPs or
2 PIHPs.

3 (j) Information on the community mental health Medicaid
4 managed care program, including, but not limited to, both of the
5 following:

6 (i) Expenditures by each CMHSP or PIHP organized by Medicaid
7 eligibility group, including per eligible individual expenditure
8 averages.

9 (ii) Performance indicator information required to be submitted
10 to the department in the contracts with CMHSPs or PIHPs.

11 (k) An estimate of the number of direct care workers in local
12 residential settings and paraprofessional and other nonprofessional
13 direct care workers in settings where skill building, community
14 living supports and training, and personal care services are
15 provided by CMHSPs or PIHPs as of September 30 of the prior fiscal
16 year employed directly or through contracts with provider
17 organizations.

18 (3) The department shall include data reporting requirements
19 listed in subsection (2) in the annual contract with each
20 individual CMHSP or PIHP.

21 (4) The department shall take all reasonable actions to ensure
22 that the data required are complete and consistent among all CMHSPs
23 or PIHPs.

24 Sec. 405. The employee wage pass-through funded in previous
25 years to the community mental health services programs for direct
26 care workers in local residential settings and for paraprofessional
27 and other nonprofessional direct care workers in settings where
28 skill building, community living supports and training, and

1 personal care services are provided shall continue to be paid to
2 direct care workers.

3 Sec. 406. (1) The funds appropriated in part 1 for the state
4 disability assistance substance abuse services program shall be
5 used to support per diem room and board payments in substance abuse
6 residential facilities. Eligibility of clients for the state
7 disability assistance substance abuse services program shall
8 include needy persons 18 years of age or older, or emancipated
9 minors, who reside in a substance abuse treatment center.

10 (2) The department shall reimburse all licensed substance
11 abuse programs eligible to participate in the program at a rate
12 equivalent to that paid by the department of human services to
13 adult foster care providers. Programs accredited by department-
14 approved accrediting organizations shall be reimbursed at the
15 personal care rate, while all other eligible programs shall be
16 reimbursed at the domiciliary care rate.

17 Sec. 407. (1) The amount appropriated in part 1 for substance
18 abuse prevention, education, and treatment grants shall be expended
19 for contracting with coordinating agencies. Coordinating agencies
20 shall work with the CMHSPs or PIHPs to coordinate the care and
21 services provided to individuals with both mental illness and
22 substance abuse diagnoses.

23 (2) The department shall approve a fee schedule for providing
24 substance abuse services and charge participants in accordance with
25 their ability to pay.

26 Sec. 408. (1) By April 15 of the current fiscal year, the
27 department shall report the following data from the prior fiscal
28 year on substance abuse prevention, education, and treatment
29 programs to the senate and house of representatives appropriations

1 subcommittees on community health, the senate and house fiscal
2 agencies, and the state budget office:

3 (a) Expenditures stratified by coordinating agency, by central
4 diagnosis and referral agency, by fund source, by subcontractor, by
5 population served, and by service type. Additionally, data on
6 administrative expenditures by coordinating agency shall be
7 reported.

8 (b) Expenditures per state client, with data on the
9 distribution of expenditures reported using a histogram approach.

10 (c) Number of services provided by central diagnosis and
11 referral agency, by subcontractor, and by service type.
12 Additionally, data on length of stay, referral source, and
13 participation in other state programs.

14 (d) Collections from other first- or third-party payers,
15 private donations, or other state or local programs, by
16 coordinating agency, by subcontractor, by population served, and by
17 service type.

18 (2) The department shall take all reasonable actions to ensure
19 that the required data reported are complete and consistent among
20 all coordinating agencies.

21 Sec. 409. The funding in part 1 for substance abuse services
22 shall be distributed in a manner that provides priority to service
23 providers that furnish child care services to clients with
24 children.

25 Sec. 410. The department shall assure that substance abuse
26 treatment is provided to applicants and recipients of public
27 assistance through the department of human services who are
28 required to obtain substance abuse treatment as a condition of
29 eligibility for public assistance.

1 Sec. 411. (1) The department shall ensure that each contract
2 with a CMHSP or PIHP requires the CMHSP or PIHP to implement
3 programs to encourage diversion of persons with serious mental
4 illness, serious emotional disturbance, or developmental disability
5 from possible jail incarceration when appropriate.

6 (2) Each CMHSP or PIHP shall have jail diversion services and
7 shall work toward establishing working relationships with
8 representative staff of local law enforcement agencies, including
9 county prosecutors' offices, county sheriffs' offices, county
10 jails, municipal police agencies, municipal detention facilities,
11 and the courts. Written interagency agreements describing what
12 services each participating agency is prepared to commit to the
13 local jail diversion effort and the procedures to be used by local
14 law enforcement agencies to access mental health jail diversion
15 services are strongly encouraged.

16 Sec. 414. Medicaid substance abuse treatment services shall be
17 managed by selected PIHPs pursuant to the centers for Medicare and
18 Medicaid services' approval of Michigan's 1915(b) waiver request to
19 implement a managed care plan for specialized substance abuse
20 services. The selected PIHPs shall receive a capitated payment on a
21 per eligible per month basis to assure provision of medically
22 necessary substance abuse services to all beneficiaries who require
23 those services. The selected PIHPs shall be responsible for the
24 reimbursement of claims for specialized substance abuse services.
25 The PIHPs that are not coordinating agencies may continue to
26 contract with a coordinating agency. Any alternative arrangement
27 must be based on client service needs and have prior approval from
28 the department.

1 Sec. 418. On or before the tenth of each month, the department
2 shall report to the senate and house of representatives
3 appropriations subcommittees on community health, the senate and
4 house fiscal agencies, and the state budget director on the amount
5 of funding paid to PIHPs to support the Medicaid managed mental
6 health care program in the preceding month. The information shall
7 include the total paid to each PIHP, per capita rate paid for each
8 eligibility group for each PIHP, and number of cases in each
9 eligibility group for each PIHP, and year-to-date summary of
10 eligibles and expenditures for the Medicaid managed mental health
11 care program.

12 Sec. 424. Each PIHP that contracts with the department to
13 provide services to the Medicaid population shall adhere to the
14 following timely claims processing and payment procedure for claims
15 submitted by health professionals and facilities:

16 (a) A "clean claim" as described in section 111i of the social
17 welfare act, 1939 PA 280, MCL 400.111i, shall be paid within 45
18 days after receipt of the claim by the PIHP. A clean claim that is
19 not paid within this time frame shall bear simple interest at a
20 rate of 12% per annum.

21 (b) A PIHP must state in writing to the health professional or
22 facility any defect in the claim within 30 days after receipt of
23 the claim.

24 (c) A health professional and a health facility have 30 days
25 after receipt of a notice that a claim or a portion of a claim is
26 defective within which to correct the defect. The PIHP shall pay
27 the claim within 30 days after the defect is corrected.

28 Sec. 428. Each PIHP shall provide, from internal resources,
29 local funds to be used as a bona fide part of the state match

1 required under the Medicaid program in order to increase capitation
2 rates for PIHPs. These funds shall not include either state funds
3 received by a CMHSP for services provided to non-Medicaid
4 recipients or the state matching portion of the Medicaid capitation
5 payments made to a PIHP.

6 Sec. 435. A county required under the provisions of the mental
7 health code, 1974 PA 258, MCL 330.1001 to 330.2106, to provide
8 matching funds to a CMHSP for mental health services rendered to
9 residents in its jurisdiction shall pay the matching funds in equal
10 installments on not less than a quarterly basis throughout the
11 fiscal year, with the first payment being made by October 1 of the
12 current fiscal year.

13 Sec. 442. (1) The \$40,000,000.00 in funding transferred from
14 the community mental health non-Medicaid services line to support
15 the Medicaid adult benefits waiver program shall be used to provide
16 state match for increases in federal funding for primary care and
17 specialty services provided to Medicaid adult benefits waiver
18 enrollees and for economic increases for the Medicaid specialty
19 services and supports program.

20 (2) The department shall assure that persons enrolled in the
21 Medicaid adult benefits waiver program shall receive mental health
22 services as approved in the state plan amendment.

23 (3) Capitation payments to CMHSPs for persons who become
24 enrolled in the Medicaid adult benefits waiver program shall be
25 made using the same rate methodology as payments for the current
26 Medicaid beneficiaries.

27 (4) If enrollment in the Medicaid adult benefits waiver
28 program does not achieve expectations and the funding appropriated
29 for the Medicaid adult benefits waiver program for specialty

1 services is not expended, the general fund balance shall be
2 transferred back to the community mental health non-Medicaid
3 services line. The department shall report quarterly to the senate
4 and house of representatives appropriations subcommittees on
5 community health a summary of eligible expenditures for the
6 Medicaid adult benefits waiver program by CMHSPs.

7 Sec. 456. (1) CMHSPs and PIHPs shall honor consumer choice to
8 the fullest extent possible when providing services and support
9 programs for individuals with mental illness, developmental
10 disabilities, or substance abuse issues. Consumer choices shall
11 include skill-building assistance, rehabilitative and habilitative
12 services, supported and integrated employment services program
13 settings, and other work preparatory services provided in the
14 community or by accredited community-based rehabilitation
15 organizations. CMHSPs and PIHPs shall not arbitrarily eliminate or
16 restrict any choices from the array of services and program
17 settings available to consumers without reasonable justification
18 that those services are not in the consumer's best interest.

19 (2) CMHSPs and PIHPs shall take all necessary steps to ensure
20 that individuals with mental illness, developmental disabilities,
21 or substance abuse issues be placed in the least restrictive
22 setting in the quickest amount of time possible if it is the
23 individual's choice.

24 Sec. 458. By April 15 of the current fiscal year, the
25 department shall provide an updated plan for implementing
26 recommendations of the Michigan mental health commission made in
27 the commission's report dated October 15, 2004 to the house of
28 representatives and senate appropriations subcommittees on

1 community health, the house and senate fiscal agencies, and the
2 state budget director.

3 Sec. 463. The department shall use standard program evaluation
4 measures to assess the overall effectiveness of programs provided
5 through coordinating agencies and service providers in reducing and
6 preventing the incidence of substance abuse. The measures
7 established by the department shall be modeled after the program
8 outcome measures and best practice guidelines for the treatment of
9 substance abuse as proposed by the federal substance abuse and
10 mental health services administration.

11 Sec. 465. Funds appropriated in part 1 for respite services
12 shall be used for direct respite care services for children with
13 serious emotional disturbances and their families. Not more than 1%
14 of the funds allocated for respite services shall be expended by
15 CMHSPs for administration and administrative purposes.

16 Sec. 468. To foster a more efficient administration of and to
17 integrate care in publicly funded mental health and substance abuse
18 services, the department shall maintain criteria for the
19 incorporation of a city, county, or regional substance abuse
20 coordinating agency into a local community mental health authority
21 that will encourage those city, county, or regional coordinating
22 agencies to incorporate as local community mental health
23 authorities. If necessary, the department may make accommodations
24 or adjustments in formula distribution to address administrative
25 costs related to the maintenance of the criteria under this section
26 and to the incorporation of the additional coordinating agencies
27 into local community mental health authorities provided that all of
28 the following are satisfied:

1 (a) The department provides funding for the administrative
2 costs incurred by coordinating agencies incorporating into
3 community mental health authorities. The department shall not
4 provide more than \$75,000.00 to any coordinating agency for
5 administrative costs.

6 (b) The accommodations or adjustments do not favor
7 coordinating agencies who voluntarily elect to integrate with local
8 community mental health authorities.

9 (c) The accommodations or adjustments do not negatively affect
10 other coordinating agencies.

11 Sec. 470. (1) For those substance abuse coordinating agencies
12 that have voluntarily incorporated into community mental health
13 authorities and accepted funding from the department for
14 administrative costs incurred pursuant to section 468, the
15 department shall establish written expectations for those CMHSPs,
16 PIHPs, and substance abuse coordinating agencies and counties with
17 respect to the integration of mental health and substance abuse
18 services. At a minimum, the written expectations shall provide for
19 the integration of those services as follows:

20 (a) Coordination and consolidation of administrative functions
21 and redirection of efficiencies into service enhancements.

22 (b) Consolidation of points of 24-hour access for mental
23 health and substance abuse services in every community.

24 (c) Alignment of coordinating agencies and PIHPs boundaries to
25 maximize opportunities for collaboration and integration of
26 administrative functions and clinical activities.

27 (2) By May 1 of the current fiscal year, the department shall
28 report to the house of representatives and senate appropriations
29 subcommittees on community health, the house and senate fiscal

1 agencies, and the state budget office on the impact and
2 effectiveness of this section and the status of the integration of
3 mental health and substance abuse services.

4 Sec. 474. The department shall ensure that each contract with
5 a CMHSP or PIHP requires the CMHSP or PIHP to provide each
6 recipient and his or her family with information regarding the
7 different types of guardianship and the alternatives to
8 guardianship. A CMHSP or PIHP shall not, in any manner, attempt to
9 reduce or restrict the ability of a recipient or his or her family
10 from seeking to obtain any form of legal guardianship without just
11 cause.

12 Sec. 480. The department shall provide to the senate and house
13 appropriations subcommittees on community health and the senate and
14 house fiscal agencies by March 30 of the current fiscal year a
15 report on the number and reimbursement cost of atypical
16 antipsychotic prescriptions by each PIHP for Medicaid
17 beneficiaries.

18 Sec. 483. (1) A Medicaid recipient shall remain eligible and a
19 qualifying applicant shall be determined eligible for medical
20 assistance during a period of incarceration or detention. Medicaid
21 coverage is limited during such a period to off-site inpatient
22 hospitalization only.

23 (2) A Medicaid recipient is considered incarcerated or
24 detained until released on bail, released as not guilty, released
25 on parole, released on probation, released on pardon, released upon
26 completing a sentence, or released under home detention or tether.

27
28 STATE PSYCHIATRIC HOSPITALS, CENTERS FOR PERSONS WITH DEVELOPMENTAL
29 DISABILITIES, AND FORENSIC AND PRISON MENTAL HEALTH SERVICES

1 Sec. 601. (1) In funding of staff in the financial support
2 division, reimbursement, and billing and collection sections,
3 priority shall be given to obtaining third-party payments for
4 services. Collection from individual recipients of services and
5 their families shall be handled in a sensitive and nonharassing
6 manner.

7 (2) The department shall continue a revenue recapture project
8 to generate additional revenues from third parties related to cases
9 that have been closed or are inactive. Revenues collected through
10 project efforts are appropriated to the department for departmental
11 costs and contractual fees associated with these retroactive
12 collections and to improve ongoing departmental reimbursement
13 management functions.

14 Sec. 602. Unexpended and unencumbered amounts and accompanying
15 expenditure authorizations up to \$1,000,000.00 remaining on
16 September 30 of the current fiscal year from the amounts
17 appropriated in part 1 for gifts and bequests for patient living
18 and treatment environments shall be carried forward for 1 fiscal
19 year. The purpose of gifts and bequests for patient living and
20 treatment environments is to use additional private funds to
21 provide specific enhancements for individuals residing at state-
22 operated facilities. Use of the gifts and bequests shall be
23 consistent with the stipulation of the donor. The expected
24 completion date for the use of gifts and bequests donations is
25 within 3 years unless otherwise stipulated by the donor.

26 Sec. 603. The funds appropriated in part 1 for forensic mental
27 health services provided to the department of corrections are in
28 accordance with the interdepartmental plan developed in cooperation
29 with the department of corrections. The department is authorized to

1 receive and expend funds from the department of corrections in
2 addition to the appropriations in part 1 to fulfill the obligations
3 outlined in the interdepartmental agreements.

4 Sec. 604. (1) The CMHSPs or PIHPs shall provide annual reports
5 to the department on the following information:

6 (a) The number of days of care purchased from state hospitals
7 and centers.

8 (b) The number of days of care purchased from private
9 hospitals in lieu of purchasing days of care from state hospitals
10 and centers.

11 (c) The number and type of alternative placements to state
12 hospitals and centers other than private hospitals.

13 (d) Waiting lists for placements in state hospitals and
14 centers.

15 (2) The department shall annually report the information in
16 subsection (1) to the house of representatives and senate
17 appropriations subcommittees on community health, the house and
18 senate fiscal agencies, and the state budget director.

19 Sec. 605. (1) The department shall not implement any closures
20 or consolidations of state hospitals, centers, or agencies until
21 CMHSPs or PIHPs have programs and services in place for those
22 persons currently in those facilities and a plan for service
23 provision for those persons who would have been admitted to those
24 facilities.

25 (2) All closures or consolidations are dependent upon adequate
26 department-approved CMHSP and PIHP plans that include a discharge
27 and aftercare plan for each person currently in the facility. A
28 discharge and aftercare plan shall address the person's housing

1 needs. A homeless shelter or similar temporary shelter arrangements
2 are inadequate to meet the person's housing needs.

3 (3) Four months after the certification of closure required in
4 section 19(6) of the state employees' retirement act, 1943 PA 240,
5 MCL 38.19, the department shall provide a closure plan to the house
6 of representatives and senate appropriations subcommittees on
7 community health and the state budget director.

8 (4) Upon the closure of state-run operations and after
9 transitional costs have been paid, the remaining balances of funds
10 appropriated for that operation shall be transferred to CMHSPs or
11 PIHPs responsible for providing services for persons previously
12 served by the operations.

13 Sec. 606. The department may collect revenue for patient
14 reimbursement from first- and third-party payers, including
15 Medicaid and local county CMHSP payers, to cover the cost of
16 placement in state hospitals and centers. The department is
17 authorized to adjust financing sources for patient reimbursement
18 based on actual revenues earned. If the revenue collected exceeds
19 current year expenditures, the revenue may be carried forward with
20 approval of the state budget director. The revenue carried forward
21 shall be used as a first source of funds in the subsequent year.

22 Sec. 609. The department shall continue to ban the use of all
23 tobacco products in and on the grounds of state psychiatric
24 facilities. As used in this section, "tobacco product" means a
25 product that contains tobacco and is intended for human
26 consumption, including, but not limited to, cigarettes,
27 noncigarette smoking tobacco, or smokeless tobacco, as those terms
28 are defined in section 2 of the tobacco products tax act, 1993 PA
29 327, MCL 205.422, and cigars.

1
2 **PUBLIC HEALTH ADMINISTRATION**

3 Sec. 650. The department shall communicate the annual public
4 health consumption advisory for sportfish. The department shall, at
5 a minimum, post the advisory on the Internet and make the
6 information in the advisory available to the clients of the women,
7 infants, and children special supplemental nutrition program.

8 Sec. 651. By April 30 of the current fiscal year, the
9 department shall submit a report to the house and senate fiscal
10 agencies and the state budget director on the activities and
11 efforts of the department to improve the health status of the
12 citizens of this state with regard to the goals and objectives
13 stated in the "Healthy Michigan 2010" report, and the measurable
14 progress made toward those goals and objectives.
15

16 **HEALTH POLICY, REGULATION, AND PROFESSIONS**

17 Sec. 704. The department shall continue to contract with
18 grantees supported through the appropriation in part 1 for the
19 emergency medical services grants and contracts to ensure that a
20 sufficient number of qualified emergency medical services personnel
21 exist to serve rural areas of the state.

22 Sec. 706. When hiring any new nursing home inspectors funded
23 through appropriations in part 1, the department shall make every
24 effort to hire qualified individuals with past experience in the
25 long-term care industry.

26 Sec. 707. The funds appropriated in part 1 for the nursing
27 scholarship program, established in section 16315 of the public
28 health code, 1978 PA 368, MCL 333.16315, shall be used to increase
29 the number of nurses practicing in Michigan. The board of nursing

1 is encouraged to structure scholarships funded under this bill in a
2 manner that rewards recipients who intend to practice nursing in
3 Michigan. In addition, the department and the board of nursing
4 shall work cooperatively with the Michigan higher education
5 assistance authority to coordinate scholarship assistance with
6 scholarships provided pursuant to the Michigan nursing scholarship
7 act, 2002 PA 591, MCL 390.1181 to 390.1189.

8 Sec. 708. Nursing facilities shall report in the quarterly
9 staff report to the department, the total patient care hours
10 provided each month, by state licensure and certification
11 classification, and the percentage of pool staff, by state
12 licensure and certification classification, used each month during
13 the preceding quarter. The department shall make available to the
14 public, the quarterly staff report compiled for all facilities
15 including the total patient care hours and the percentage of pool
16 staff used, by classification.

17 Sec. 710. From the funds appropriated in part 1 for primary
18 care services, an amount not to exceed \$2,172,700.00 is
19 appropriated to enhance the service capacity of the federally
20 qualified health centers and other health centers that are similar
21 to federally qualified health centers.

22 Sec. 711. The department may make available to interested
23 entities customized listings of nonconfidential information in its
24 possession, such as names and addresses of licensees. In addition
25 to the appropriations in part 1, the department may establish and
26 collect a reasonable charge to provide this service. The revenue
27 received from this service shall be used to offset expenses to
28 provide the service. Any balance of this revenue collected and

unexpended at the end of the fiscal year shall revert to the appropriate restricted fund.

Sec. 712. From the funds appropriated in part 1 for primary care services, \$250,000.00 shall be allocated to free health clinics operating in the state. The department shall distribute the funds equally to each free health clinic. For the purpose of this appropriation, free health clinics are nonprofit organizations that use volunteer health professionals to provide care to uninsured individuals.

Sec. 714. The department shall report to the legislature on the timeliness of nursing facility complaint investigations and the number of allegations that are substantiated on an annual basis. The report shall consist of the number of allegations filed by consumers and the number of facility-reported incidents. The department shall make every effort to contact every complainant and the subject of a complaint during an investigation.

Sec. 716. The department shall give priority in investigations of alleged wrongdoing by licensed health care professionals to instances that are alleged to have occurred within 2 years of the initial complaint.

INFECTIOUS DISEASE CONTROL

Sec. 801. In the expenditure of funds appropriated in part 1 for AIDS programs, the department and its subcontractors shall ensure that high-risk individuals ages 9 through 18 receive priority for prevention, education, and outreach services.

Sec. 803. The department shall continue the AIDS drug assistance program maintaining the prior year eligibility criteria and drug formulary. This section does not prohibit the department

1 from providing assistance for improved AIDS treatment medications.
2 If the appropriation in part 1 or actual revenue is not sufficient
3 to maintain the prior year eligibility criteria and drug formulary,
4 the department may revise the eligibility criteria and drug
5 formulary in a manner that is consistent with federal program
6 guidelines.

7 Sec. 804. The department, in conjunction with efforts to
8 implement the Michigan prisoner reentry initiative, shall cooperate
9 with the department of corrections to share data and information as
10 they relate to prisoners being released who are HIV positive or
11 positive for the hepatitis C antibody.

12 13 EPIDEMIOLOGY

14 Sec. 851. The department shall provide a report annually to
15 the house of representatives and senate appropriations
16 subcommittees on community health, the senate and house fiscal
17 agencies, and the state budget director on the expenditures and
18 activities undertaken by the lead abatement program. The report
19 shall include, but is not limited to, a funding allocation
20 schedule, expenditures by category of expenditure and by
21 subcontractor, revenues received, description of program elements,
22 and description of program accomplishments and progress.

23 24 LOCAL HEALTH ADMINISTRATION AND GRANTS

25 Sec. 901. The amount appropriated in part 1 for implementation
26 of the 1993 additions of or amendments to sections 9161, 16221,
27 16226, 17014, 17015, and 17515 of the public health code, 1978 PA
28 368, MCL 333.9161, 333.16221, 333.16226, 333.17014, 333.17015, and
29 333.17515, shall reimburse local health departments for costs

1 incurred related to implementation of section 17015(18) of the
2 public health code, 1978 PA 368, MCL 333.17015.

3 Sec. 902. If a county that has participated in a district
4 health department or an associated arrangement with other local
5 health departments takes action to cease to participate in such an
6 arrangement after October 1 of the current fiscal year, the
7 department shall have the authority to assess a penalty from the
8 local health department's operational accounts in an amount equal
9 to no more than 6.25% of the local health department's local public
10 health operations funding. This penalty shall only be assessed to
11 the local county that requests the dissolution of the health
12 department.

13 Sec. 904. (1) Funds appropriated in part 1 for local public
14 health operations shall be prospectively allocated to local health
15 departments to support immunizations, infectious disease control,
16 sexually transmitted disease control and prevention, hearing
17 screening, vision services, food protection, public water supply,
18 private groundwater supply, and on-site sewage management. Food
19 protection shall be provided in consultation with the Michigan
20 department of agriculture. Public water supply, private groundwater
21 supply, and on-site sewage management shall be provided in
22 consultation with the Michigan department of environmental quality.

23 (2) Local public health departments shall be held to
24 contractual standards for the services in subsection (1).

25 (3) Distributions in subsection (1) shall be made only to
26 counties that maintain local spending in the current fiscal year of
27 at least the amount expended in fiscal year 1992-1993 for the
28 services described in subsection (1).

1 (4) By April 1 of the current fiscal year, the department
2 shall make available a report to the senate and house of
3 representatives appropriations subcommittees on community health,
4 the senate and house fiscal agencies, and the state budget director
5 on the planned allocation of the funds appropriated for local
6 public health operations.

7
8 **CHRONIC DISEASE AND INJURY PREVENTION AND HEALTH PROMOTION**

9 Sec. 1003. Funds appropriated in part 1 for the Alzheimer's
10 information network shall be used to provide information and
11 referral services through regional networks for persons with
12 Alzheimer's disease or related disorders, their families, and
13 health care providers.

14 Sec. 1006. (1) In spending the funds appropriated in part 1
15 for the smoking prevention program, priority shall be given to
16 prevention and smoking cessation programs for pregnant women, women
17 with young children, and adolescents.

18 (2) For purposes of complying with 2004 PA 164, \$900,000.00 of
19 the funds appropriated in part 1 for the smoking prevention program
20 shall be used for the quit kit program that includes the nicotine
21 patch or nicotine gum.

22 Sec. 1007. (1) The funds appropriated in part 1 for violence
23 prevention shall be used for, but not be limited to, the following:

24 (a) Programs aimed at the prevention of spouse, partner, or
25 child abuse and rape.

26 (b) Programs aimed at the prevention of workplace violence.

27 (2) In awarding grants from the amounts appropriated in part 1
28 for violence prevention, the department shall give equal
29 consideration to public and private nonprofit applicants.

1 (3) From the funds appropriated in part 1 for violence
2 prevention, the department may include local school districts as
3 recipients of the funds for family violence prevention programs.

4 Sec. 1009. From the funds appropriated in part 1 for the
5 diabetes and kidney program, a portion of the funds may be
6 allocated to the National Kidney Foundation of Michigan for kidney
7 disease prevention programming including early identification and
8 education programs and kidney disease prevention demonstration
9 projects.

10 Sec. 1019. From the funds appropriated in part 1 for chronic
11 disease prevention, \$50,000.00 may be allocated for stroke
12 prevention, education, and outreach. The objectives of the program
13 shall include education to assist persons in identifying risk
14 factors, and education to assist persons in the early
15 identification of the occurrence of a stroke in order to minimize
16 stroke damage.

17
18 **FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES**

19 Sec. 1101. The department shall review the basis for the
20 distribution of funds to local health departments and other public
21 and private agencies for the women, infants, and children food
22 supplement program; family planning; and prenatal care outreach and
23 service delivery support program and indicate the basis upon which
24 any projected underexpenditures by local public and private
25 agencies shall be reallocated to other local agencies that
26 demonstrate need.

27 Sec. 1104. (1) Before April 1 of the current fiscal year, the
28 department shall submit a report to the house and senate fiscal
29 agencies and the state budget director on planned allocations from

1 the amounts appropriated in part 1 for local MCH services, prenatal
2 care outreach and service delivery support, family planning local
3 agreements, and pregnancy prevention programs. Using applicable
4 federal definitions, the report shall include information on all of
5 the following:

6 (a) Funding allocations.

7 (b) Actual number of women, children, and/or adolescents
8 served and amounts expended for each group for the immediately
9 preceding fiscal year.

10 (c) A breakdown of the expenditure of these funds between
11 urban and rural communities.

12 (2) The department shall ensure that the distribution of funds
13 through the programs described in subsection (1) takes into account
14 the needs of rural communities.

15 (3) For the purposes of this section, "rural" means a county,
16 city, village, or township with a population of 30,000 or less,
17 including those entities if located within a metropolitan
18 statistical area.

19 Sec. 1105. For all family, maternal, and children's health
20 services programs for which an appropriation is made in part 1, the
21 department shall contract with those local agencies best able to
22 serve clients. Factors to be used by the department in evaluating
23 agencies under this section include the ability to serve high-risk
24 population groups; ability to provide access to individuals in need
25 of services in rural communities; ability to serve low-income
26 clients, where applicable; availability of, and access to, service
27 sites; management efficiency; and ability to meet federal
28 standards, when applicable.

1 Sec. 1106. Each family planning program receiving federal
2 title X family planning funds under 42 USC 300 to 300a-8 shall be
3 in compliance with all performance and quality assurance indicators
4 that the office of family planning within the United States
5 department of health and human services specifies in the family
6 planning annual report. An agency not in compliance with the
7 indicators shall not receive supplemental or reallocated funds.

8 Sec. 1107. Of the amount appropriated in part 1 for prenatal
9 care outreach and service delivery support, not more than 9% shall
10 be expended for local administration, data processing, and
11 evaluation.

12 Sec. 1108. The funds appropriated in part 1 for pregnancy
13 prevention programs shall not be used to provide abortion
14 counseling, referrals, or services.

15 Sec. 1109. (1) From the amounts appropriated in part 1 for
16 dental programs, funds shall be allocated to the Michigan dental
17 association for the administration of a volunteer dental program
18 that provides dental services to the uninsured in an amount that is
19 no less than the amount allocated to that program in fiscal year
20 1996-1997.

21 (2) Not later than December 1 of the current fiscal year, the
22 department shall report to the senate or house of representatives
23 appropriations subcommittee on community health or the senate or
24 house of representatives standing committee on health policy the
25 number of individual patients treated, number of procedures
26 performed, and approximate total market value of those procedures
27 from the immediately preceding fiscal year.

28 Sec. 1110. Agencies that currently receive pregnancy
29 prevention funds and either receive or are eligible for other

1 family planning funds shall have the option of receiving all of
2 their family planning funds directly from the department and be
3 designated as delegate agencies.

4 Sec. 1111. The department shall allocate no less than 88% of
5 the funds appropriated in part 1 for family planning local
6 agreements and the pregnancy prevention program for the direct
7 provision of family planning/pregnancy prevention services.

8 Sec. 1112. From the funds appropriated in part 1 for prenatal
9 care outreach and service delivery support, the department shall
10 allocate at least \$1,000,000.00 to communities with high infant
11 mortality rates.

12 Sec. 1129. The department shall provide a report annually to
13 the house of representatives and senate appropriations
14 subcommittees on community health, the house and senate fiscal
15 agencies, and the state budget director on the number of children
16 with elevated blood lead levels from information available to the
17 department. The report shall provide the information by county,
18 shall include the level of blood lead reported, and shall indicate
19 the sources of the information.

20 Sec. 1133. The department shall release infant mortality rate
21 data to all local public health departments 72 hours or more before
22 releasing infant mortality rate data to the public.

23 Sec. 1135. (1) Provision of the school health education
24 curriculum, such as the Michigan model or another comprehensive
25 school health education curriculum, shall be in accordance with the
26 health education goals established by the Michigan model for
27 comprehensive school health education state steering committee. The
28 state steering committee shall be comprised of a representative
29 from each of the following offices and departments:

1 (a) The department of education.
2 (b) The department of community health.
3 (c) The health administration in the department of community
4 health.
5 (d) The bureau of mental health and substance abuse services
6 in the department of community health.
7 (e) The department of human services.
8 (f) The department of state police.
9 (2) Upon written or oral request, a pupil not less than 18
10 years of age or a parent or legal guardian of a pupil less than 18
11 years of age, within a reasonable period of time after the request
12 is made, shall be informed of the content of a course in the health
13 education curriculum and may examine textbooks and other classroom
14 materials that are provided to the pupil or materials that are
15 presented to the pupil in the classroom. This subsection does not
16 require a school board to permit pupil or parental examination of
17 test questions and answers, scoring keys, or other examination
18 instruments or data used to administer an academic examination.
19

20 **WOMEN, INFANTS, AND CHILDREN FOOD AND NUTRITION PROGRAM**

21 Sec. 1151. The department may work with local participating
22 agencies to define local annual contributions for the farmer's
23 market nutrition program, project FRESH, to enable the department
24 to request federal matching funds based on local commitment of
25 funds.

26 Sec. 1153. The department shall ensure that individuals
27 residing in rural communities have sufficient access to the
28 services offered through the WIC program.
29

1 **CHILDREN'S SPECIAL HEALTH CARE SERVICES**

2 Sec. 1201. Funds appropriated in part 1 for medical care and
3 treatment of children with special health care needs shall be paid
4 according to reimbursement policies determined and published by the
5 Michigan medical services program.

6 Sec. 1202. The department may do 1 or more of the following:

7 (a) Provide special formula for eligible clients with
8 specified metabolic and allergic disorders.

9 (b) Provide medical care and treatment to eligible patients
10 with cystic fibrosis who are 21 years of age or older.

11 (c) Provide genetic diagnostic and counseling services for
12 eligible families.

13 (d) Provide medical care and treatment to eligible patients
14 with hereditary coagulation defects, commonly known as hemophilia,
15 who are 21 years of age or older.

16 Sec. 1203. All children who are determined medically eligible
17 for the children's special health care services program shall be
18 referred to the appropriate locally based services program in their
19 community.

20
21 **CRIME VICTIM SERVICES COMMISSION**

22 Sec. 1302. From the funds appropriated in part 1 for justice
23 assistance grants, up to \$200,000.00 shall be allocated for
24 expansion of forensic nurse examiner programs to facilitate
25 training for improved evidence collection for the prosecution of
26 sexual assault. The funds shall be used for program coordination
27 and training.

28
29 **OFFICE OF SERVICES TO THE AGING**

1 Sec. 1401. The appropriation in part 1 to the office of
2 services to the aging for community services and nutrition services
3 shall be restricted to eligible individuals at least 60 years of
4 age who fail to qualify for home care services under title XVIII,
5 XIX, or XX.

6 Sec. 1403. (1) The office of services to the aging shall
7 require each region to report to the office of services to the
8 aging home-delivered meals waiting lists based upon standard
9 criteria. Determining criteria shall include all of the following:

10 (a) The recipient's degree of frailty.

11 (b) The recipient's inability to prepare his or her own meals
12 safely.

13 (c) Whether the recipient has another care provider available.

14 (d) Any other qualifications normally necessary for the
15 recipient to receive home-delivered meals.

16 (2) Data required in subsection (1) shall be recorded only for
17 individuals who have applied for participation in the home-
18 delivered meals program and who are initially determined as likely
19 to be eligible for home-delivered meals.

20 Sec. 1404. The area agencies and local providers may receive
21 and expend fees for the provision of day care, care management,
22 respite care, and certain eligible home- and community-based
23 services. The fees shall be based on a sliding scale, taking client
24 income into consideration. The fees shall be used to expand
25 services.

26 Sec. 1406. The appropriation of \$5,000,000.00 of merit award
27 trust funds to the office of services to the aging for the respite
28 care program shall be allocated in accordance with a long-term care
29 plan developed by the long-term care working group established in

1 section 1657 of 1998 PA 336 upon implementation of the plan. The
2 use of the funds shall be for direct respite care or adult respite
3 care center services. Not more than 9% of the amount allocated
4 under this section shall be expended for administration and
5 administrative purposes.

6 Sec. 1413. Local counties may request to change membership in
7 the area agencies on aging if the change is to an area agency on
8 aging that is contiguous to that county pursuant to office of
9 services to the aging policies and procedures for area agency on
10 aging designation. The office of services to the aging shall adjust
11 allocations to area agencies on aging to account for any changes in
12 county membership. The office of services to the aging shall ensure
13 annually that county boards of commissioners are aware that county
14 membership in area agencies on aging can be changed subject to
15 office of services to the aging policies and procedures for area
16 agency on aging designation.

17 Sec. 1417. The department shall provide to the senate and
18 house of representatives appropriations subcommittees on community
19 health, senate and house fiscal agencies, and state budget director
20 a report by March 30 of the current fiscal year that contains all
21 of the following:

22 (a) The total allocation of state resources made to each area
23 agency on aging by individual program and administration.

24 (b) Detail expenditure by each area agency on aging by
25 individual program and administration including both state funded
26 resources and locally funded resources.

27
28 **MEDICAL SERVICES**

1 Sec. 1601. The cost of remedial services incurred by residents
2 of licensed adult foster care homes and licensed homes for the aged
3 shall be used in determining financial eligibility for the
4 medically needy. Remedial services include basic self-care and
5 rehabilitation training for a resident.

6 Sec. 1602. Medical services shall be provided to elderly and
7 disabled persons with incomes less than or equal to 100% of the
8 official poverty level, pursuant to the state's option to elect
9 such coverage set out at section 1902(a)(10)(A)(ii) and (m) of title
10 XIX, 42 USC 1396a.

11 Sec. 1603. (1) The department may establish a program for
12 persons to purchase medical coverage at a rate determined by the
13 department.

14 (2) The department may receive and expend premiums for the
15 buy-in of medical coverage in addition to the amounts appropriated
16 in part 1.

17 (3) The premiums described in this section shall be classified
18 as private funds.

19 Sec. 1605. (1) The protected income level for Medicaid
20 coverage determined pursuant to section 106(1)(b)(iii) of the social
21 welfare act, 1939 PA 280, MCL 400.106, shall be 100% of the related
22 public assistance standard.

23 (2) The department shall notify the senate and house of
24 representatives appropriations subcommittees on community health
25 and the state budget director of any proposed revisions to the
26 protected income level for Medicaid coverage related to the public
27 assistance standard 90 days prior to implementation.

28 Sec. 1606. For the purpose of guardian and conservator
29 charges, the department of community health may deduct up to \$60.00

1 per month as an allowable expense against a recipient's income when
2 determining medical services eligibility and patient pay amounts.

3 Sec. 1607. (1) An applicant for Medicaid, whose qualifying
4 condition is pregnancy, shall immediately be presumed to be
5 eligible for Medicaid coverage unless the preponderance of evidence
6 in her application indicates otherwise. The applicant who is
7 qualified as described in this subsection shall be allowed to
8 select or remain with the Medicaid participating obstetrician of
9 her choice.

10 (2) An applicant qualified as described in subsection (1)
11 shall be given a letter of authorization to receive Medicaid
12 covered services related to her pregnancy. All qualifying
13 applicants shall be entitled to receive all medically necessary
14 obstetrical and prenatal care without preauthorization from a
15 health plan. All claims submitted for payment for obstetrical and
16 prenatal care shall be paid at the Medicaid fee-for-service rate in
17 the event a contract does not exist between the Medicaid
18 participating obstetrical or prenatal care provider and the managed
19 care plan. The applicant shall receive a listing of Medicaid
20 physicians and managed care plans in the immediate vicinity of the
21 applicant's residence.

22 (3) In the event that an applicant, presumed to be eligible
23 pursuant to subsection (1), is subsequently found to be ineligible,
24 a Medicaid physician or managed care plan that has been providing
25 pregnancy services to an applicant under this section is entitled
26 to reimbursement for those services until such time as they are
27 notified by the department that the applicant was found to be
28 ineligible for Medicaid.

1 (4) If the preponderance of evidence in an application
2 indicates that the applicant is not eligible for Medicaid, the
3 department shall refer that applicant to the nearest public health
4 clinic or similar entity as a potential source for receiving
5 pregnancy-related services.

6 (5) The department shall develop an enrollment process for
7 pregnant women covered under this section that facilitates the
8 selection of a managed care plan at the time of application.

9 (6) The department shall mandate enrollment of women, whose
10 qualifying condition is pregnancy, into Medicaid managed care
11 plans.

12 (7) The department shall encourage physicians to provide
13 women, whose qualifying condition for Medicaid is pregnancy, with a
14 referral to a Medicaid participating dentist at the first
15 pregnancy-related appointment.

16 Sec. 1611. (1) For care provided to medical services
17 recipients with other third-party sources of payment, medical
18 services reimbursement shall not exceed, in combination with such
19 other resources, including Medicare, those amounts established for
20 medical services-only patients. The medical services payment rate
21 shall be accepted as payment in full. Other than an approved
22 medical services copayment, no portion of a provider's charge shall
23 be billed to the recipient or any person acting on behalf of the
24 recipient. Nothing in this section shall be considered to affect
25 the level of payment from a third-party source other than the
26 medical services program. The department shall require a
27 nonenrolled provider to accept medical services payments as payment
28 in full.

1 (2) Notwithstanding subsection (1), medical services
2 reimbursement for hospital services provided to dual
3 Medicare/medical services recipients with Medicare part B coverage
4 only shall equal, when combined with payments for Medicare and
5 other third-party resources, if any, those amounts established for
6 medical services-only patients, including capital payments.

7 Sec. 1620. (1) For fee-for-service recipients who do not
8 reside in nursing homes, the pharmaceutical dispensing fee shall be
9 \$2.50 or the pharmacy's usual or customary cash charge, whichever
10 is less. For nursing home residents, the pharmaceutical dispensing
11 fee shall be \$2.75 or the pharmacy's usual or customary cash
12 charge, whichever is less.

13 (2) The department shall require a prescription copayment for
14 Medicaid recipients of \$1.00 for a generic drug and \$3.00 for a
15 brand-name drug, except as prohibited by federal or state law or
16 regulation.

17 Sec. 1621. The department may implement prospective drug
18 utilization review and disease management systems. The prospective
19 drug utilization review, a pharmacist-approved medication therapy
20 program, and disease management systems authorized by this section
21 shall have physician oversight, shall focus on patient, physician,
22 and pharmacist education, and shall be developed in consultation
23 with the national pharmaceutical council, Michigan state medical
24 society, Michigan osteopathic association, Michigan pharmacists
25 association, Michigan health and hospital association, and Michigan
26 nurses association.

27 Sec. 1623. (1) The department shall continue the Medicaid
28 policy that allows for the dispensing of a 100-day supply for
29 maintenance drugs.

1 (2) The department shall notify all HMOs, physicians,
2 pharmacies, and other medical providers that are enrolled in the
3 Medicaid program that Medicaid policy allows for the dispensing of
4 a 100-day supply for maintenance drugs.

5 (3) The notice in subsection (2) shall also clarify that a
6 pharmacy shall fill a prescription written for maintenance drugs in
7 the quantity specified by the physician, but not more than the
8 maximum allowed under Medicaid, unless subsequent consultation with
9 the prescribing physician indicates otherwise.

10 Sec. 1627. (1) The department shall use procedures and rebates
11 amounts specified under section 1927 of title XIX, 42 USC 1396r-8,
12 to secure quarterly rebates from pharmaceutical manufacturers for
13 outpatient drugs dispensed to participants in the MICHild program,
14 maternal outpatient medical services program, children's special
15 health care services, and adult benefit waiver program.

16 (2) For products distributed by pharmaceutical manufacturers
17 not providing quarterly rebates as listed in subsection (1), the
18 department may require preauthorization.

19 Sec. 1629. The department shall utilize maximum allowable cost
20 pricing for generic drugs that is based on wholesaler pricing to
21 providers that is available from at least 2 wholesalers who deliver
22 in the state of Michigan.

23 Sec. 1630. (1) Medicaid coverage for podiatric services, adult
24 dental services, and chiropractic services shall continue at not
25 less than the level in effect on October 1, 2002, except that
26 reasonable utilization limitations may be adopted in order to
27 prevent excess utilization. The department shall not impose
28 utilization restrictions on chiropractic services unless a
29 recipient has exceeded 18 office visits within 1 year.

1 (2) The department may implement the bulk purchase of hearing
2 aids, impose limitations on binaural hearing aid benefits, and
3 limit the replacement of hearing aids to once every 3 years.

4 Sec. 1631. (1) The department shall require copayments on
5 dental, podiatric, chiropractic, vision, and hearing aid services
6 provided to Medicaid recipients, except as prohibited by federal or
7 state law or regulation.

8 (2) Except as otherwise prohibited by federal or state law or
9 regulations, the department shall require Medicaid recipients to
10 pay the following copayments:

11 (a) Two dollars for a physician office visit.

12 (b) Three dollars for a hospital emergency room visit.

13 (c) Fifty dollars for the first day of an inpatient hospital
14 stay.

15 (d) One dollar for an outpatient hospital visit.

16 Sec. 1635. From the funds appropriated in part 1 for physician
17 services and health plan services, the department shall continue
18 the increase in Medicaid reimbursement rates for obstetrical
19 services implemented in fiscal year 2005-2006.

20 Sec. 1636. From the funds appropriated in part 1 for physician
21 services and health plan services, the department shall continue
22 the increase in Medicaid reimbursement rates for physician well
23 child procedure codes and primary care procedure codes implemented
24 in fiscal year 2006-2007 and fiscal year 2008-2009. The increased
25 reimbursement rates in this section shall not exceed the comparable
26 Medicare payment rate for the same services.

27 Sec. 1637. (1) All adult Medicaid recipients shall be offered
28 the opportunity to sign a Medicaid personal responsibility
29 agreement.

1 (2) The personal responsibility agreement shall include at
2 minimum the following provisions:

3 (a) That the recipient shall not smoke.

4 (b) That the recipient shall attend all scheduled medical
5 appointments.

6 (c) That the recipient shall exercise regularly.

7 (d) That if the recipient has children, those children shall
8 be up to date on their immunizations.

9 (e) That the recipient shall abstain from abusing controlled
10 substances and narcotics.

11 Sec. 1641. An institutional provider that is required to
12 submit a cost report under the medical services program shall
13 submit cost reports completed in full within 5 months after the end
14 of its fiscal year.

15 Sec. 1642. The department shall continue to allow ambulatory
16 surgery centers in this state to fully participate in the Medicaid
17 program when hospitals are reimbursed for Medicaid services through
18 the new Michigan Medicaid information system. Ambulatory surgery
19 centers that provide services to Medicaid eligible patients shall
20 be reimbursed in the same manner as hospitals. The reimbursement
21 schedule for ambulatory surgery centers that was developed and
22 implemented in consultation with the industry in fiscal year 2007-
23 2008 shall continue to be used in subsequent fiscal years.

24 Sec. 1643. Of the funds appropriated in part 1 for graduate
25 medical education in the hospital services and therapy line-item
26 appropriation, not less than \$10,947,400.00 shall be allocated for
27 the psychiatric residency training program that establishes and
28 maintains collaborative relations with the schools of medicine at
29 Michigan State University and Wayne State University if the

1 necessary allowable Medicaid matching funds are provided by the
2 universities.

3 Sec. 1648. The department shall maintain and make available an
4 online resource to enable medical providers to obtain enrollment
5 and benefit information of Medicaid recipients. There shall be no
6 charge to providers for the use of the online resource.

7 Sec. 1649. From the funds appropriated in part 1 for medical
8 services, the department shall continue breast and cervical cancer
9 treatment coverage for women up to 250% of the federal poverty
10 level, who are under age 65, and who are not otherwise covered by
11 insurance. This coverage shall be provided to women who have been
12 screened through the centers for disease control breast and
13 cervical cancer early detection program, and are found to have
14 breast or cervical cancer, pursuant to the breast and cervical
15 cancer prevention and treatment act of 2000, Public Law 106-354.

16 Sec. 1650. (1) The department may require medical services
17 recipients residing in counties offering managed care options to
18 choose the particular managed care plan in which they wish to be
19 enrolled. Persons not expressing a preference may be assigned to a
20 managed care provider.

21 (2) Persons to be assigned a managed care provider shall be
22 informed in writing of the criteria for exceptions to capitated
23 managed care enrollment, their right to change HMOs for any reason
24 within the initial 90 days of enrollment, the toll-free telephone
25 number for problems and complaints, and information regarding
26 grievance and appeals rights.

27 (3) The criteria for medical exceptions to HMO enrollment
28 shall be based on submitted documentation that indicates a
29 recipient has a serious medical condition, and is undergoing active

1 treatment for that condition with a physician who does not
2 participate in 1 of the HMOs. If the person meets the criteria
3 established by this subsection, the department shall grant an
4 exception to mandatory enrollment at least through the current
5 prescribed course of treatment, subject to periodic review of
6 continued eligibility.

7 Sec. 1651. (1) Medical services patients who are enrolled in
8 HMOs have the choice to elect hospice services or other services
9 for the terminally ill that are offered by the HMOs. If the patient
10 elects hospice services, those services shall be provided in
11 accordance with part 214 of the public health code, 1978 PA 368,
12 MCL 333.21401 to 333.21420.

13 (2) The department shall not amend the medical services
14 hospice manual in a manner that would allow hospice services to be
15 provided without making available all comprehensive hospice
16 services described in 42 CFR part 418.

17 Sec. 1653. Implementation and contracting for managed care by
18 the department through HMOs shall be subject to the following
19 conditions:

20 (a) Continuity of care is assured by allowing enrollees to
21 continue receiving required medically necessary services from their
22 current providers for a period not to exceed 1 year if enrollees
23 meet the managed care medical exception criteria.

24 (b) The department shall require contracted HMOs to submit
25 data determined necessary for evaluation on a timely basis.

26 (c) Mandatory enrollment of Medicaid beneficiaries living in
27 counties defined as rural by the federal government, which is any
28 nonurban standard metropolitan statistical area, is allowed if
29 there is only 1 HMO serving the Medicaid population, as long as

1 each Medicaid beneficiary is assured of having a choice of at least
2 2 physicians by the HMO.

3 (d) Enrollment of recipients of children's special health care
4 services in HMOs shall be voluntary during the fiscal year.
5 Children's special health care services recipients shall be
6 informed of the opportunity to enroll in HMOs.

7 (e) The department shall develop a case adjustment to its rate
8 methodology that considers the costs of persons with HIV/AIDS, end
9 stage renal disease, organ transplants, and other high-cost
10 diseases or conditions and shall implement the case adjustment when
11 it is proven to be actuarially and fiscally sound. Implementation
12 of the case adjustment must be budget neutral.

13 (f) Prior to contracting with an HMO for managed care services
14 that did not have a contract with the department before October 1,
15 2002, the department shall receive assurances from the office of
16 financial and insurance regulation that the HMO meets the net worth
17 and financial solvency requirements contained in chapter 35 of the
18 insurance code of 1956, 1956 PA 218, MCL 500.3501 to 500.3580.

19 Sec. 1654. Medicaid HMOs shall provide for reimbursement of
20 HMO covered services delivered other than through the HMO's
21 providers if medically necessary and approved by the HMO,
22 immediately required, and that could not be reasonably obtained
23 through the HMO's providers on a timely basis. Such services shall
24 be considered approved if the HMO does not respond to a request for
25 authorization within 24 hours of the request. Reimbursement shall
26 not exceed the Medicaid fee-for-service payment for those services.

27 Sec. 1655. (1) The department may require a 12-month lock-in
28 to the HMO selected by the recipient during the initial and

1 subsequent open enrollment periods, but allow for good cause
2 exceptions during the lock-in period.

3 (2) Medicaid recipients shall be allowed to change HMOs for
4 any reason within the initial 90 days of enrollment.

5 Sec. 1656. (1) The department shall provide an expedited
6 complaint review procedure for Medicaid eligible persons enrolled
7 in HMOs for situations in which failure to receive any health care
8 service would result in significant harm to the enrollee.

9 (2) The department shall provide for a toll-free telephone
10 number for Medicaid recipients enrolled in managed care to assist
11 with resolving problems and complaints. If warranted, the
12 department shall immediately disenroll persons from managed care
13 and approve fee-for-service coverage.

14 Sec. 1657. (1) Reimbursement for medical services to screen
15 and stabilize a Medicaid recipient, including stabilization of a
16 psychiatric crisis, in a hospital emergency room shall not be made
17 contingent on obtaining prior authorization from the recipient's
18 HMO. If the recipient is discharged from the emergency room, the
19 hospital shall notify the recipient's HMO within 24 hours of the
20 diagnosis and treatment received.

21 (2) If the treating hospital determines that the recipient
22 will require further medical service or hospitalization beyond the
23 point of stabilization, that hospital must receive authorization
24 from the recipient's HMO prior to admitting the recipient.

25 (3) Subsections (1) and (2) shall not be construed as a
26 requirement to alter an existing agreement between an HMO and their
27 contracting hospitals nor as a requirement that an HMO must
28 reimburse for services that are not considered to be medically
29 necessary.

1 Sec. 1658. (1) HMOs shall have contracts with hospitals within
2 a reasonable distance from their enrollees. If a hospital does not
3 contract with the HMO in its service area, that hospital shall
4 enter into a hospital access agreement as specified in the medical
5 services administration Bulletin Hospital 01-19.

6 (2) A hospital access agreement specified in subsection (1)
7 shall be considered an affiliated provider contract pursuant to the
8 requirements contained in chapter 35 of the insurance code of 1956,
9 1956 PA 218, MCL 500.3501 to 500.3580.

10 Sec. 1659. The following sections of this bill are the only
11 ones that shall apply to the following Medicaid managed care
12 programs, including the comprehensive plan, MIChoice long-term care
13 plan, and the mental health, substance abuse, and developmentally
14 disabled services program: 401, 402, 404, 411, 414, 418, 424, 428,
15 456, 1607, 1650, 1651, 1653, 1654, 1655, 1656, 1657, 1658, 1660,
16 1661, 1662, 1699, 1711, and 1783.

17 Sec. 1660. (1) The department shall assure that all Medicaid
18 children have timely access to EPSDT services as required by
19 federal law. Medicaid HMOs shall provide EPSDT services to their
20 child members in accordance with Medicaid EPSDT policy.

21 (2) The primary responsibility of assuring a child's hearing
22 and vision screening is with the child's primary care provider. The
23 primary care provider shall provide age-appropriate screening or
24 arrange for these tests through referrals to local health
25 departments. Local health departments shall provide preschool
26 hearing and vision screening services and accept referrals for
27 these tests from physicians or from Head Start programs in order to
28 assure all preschool children have appropriate access to hearing
29 and vision screening. Local health departments shall be reimbursed

1 for the cost of providing these tests for Medicaid eligible
2 children by the Medicaid program.

3 (3) The department shall prohibit HMOs from requiring prior
4 authorization of their contracted providers for any EPSDT screening
5 and diagnosis services.

6 (4) The department shall require HMOs to be responsible for
7 well child visits as described in Medicaid policy. These
8 responsibilities shall be specified in the information distributed
9 by the HMOs to their members.

10 (5) The department shall provide, on an annual basis, budget-
11 neutral incentives to Medicaid HMOs and local health departments to
12 improve performance on measures related to the care of children.

13 Sec. 1661. (1) The department shall assure that all Medicaid
14 eligible children and pregnant women have timely access to MIHP
15 services. Medicaid HMOs shall assure that MIHP screening is
16 available to their pregnant members and that those women found to
17 meet the MIHP service high-risk criteria are offered MIHP services.
18 Local health departments shall assure that MIHP screening is
19 available for Medicaid pregnant women and that those women found to
20 meet the MIHP high-risk criteria are offered MIHP services or are
21 referred to a certified MIHP service provider.

22 (2) The department shall require HMOs to be responsible for
23 the coordination of MIHP services as described in Medicaid policy.
24 These responsibilities shall be specified in the information
25 distributed by the HMOs to their members.

26 (3) The department shall assure the coordination of MIHP
27 services with the WIC program, state-supported substance abuse,
28 smoking prevention, and violence prevention programs, the
29 department of human services, and any other state or local program

1 with a focus on preventing adverse birth outcomes and child abuse
2 and neglect.

3 (4) The department shall provide, on an annual basis, budget-
4 neutral incentives to Medicaid HMOs and local health departments to
5 improve performance on measures related to the care of pregnant
6 women.

7 Sec. 1662. (1) The department shall assure that an external
8 quality review of each contracting HMO is performed that results in
9 an analysis and evaluation of aggregated information on quality,
10 timeliness, and access to health care services that the HMO or its
11 contractors furnish to Medicaid beneficiaries.

12 (2) The department shall require Medicaid HMOs to provide
13 EPSDT utilization data through the encounter data system, and
14 health employer data and information set well child health measures
15 in accordance with the National Committee on Quality Assurance
16 prescribed methodology.

17 (3) The department shall provide a copy of the analysis of the
18 Medicaid HMO annual audited health employer data and information
19 set reports and the annual external quality review report to the
20 senate and house of representatives appropriations subcommittees on
21 community health, the senate and house fiscal agencies, and the
22 state budget director, within 30 days of the department's receipt
23 of the final reports from the contractors.

24 (4) The department shall work with the Michigan association of
25 health plans and the Michigan association for local public health
26 to improve service delivery and coordination in the MIHP and EPSDT
27 programs.

1 (5) The department shall assure that training and technical
2 assistance are available for EPSDT and MIHP for Medicaid health
3 plans, local health departments, and MIHP contractors.

4 Sec. 1670. (1) The appropriation in part 1 for the MICHild
5 program is to be used to provide comprehensive health care to all
6 children under age 19 who reside in families with income at or
7 below 200% of the federal poverty level, who are uninsured and have
8 not had coverage by other comprehensive health insurance within 6
9 months of making application for MICHild benefits, and who are
10 residents of this state. The department shall develop detailed
11 eligibility criteria through the medical services administration
12 public concurrence process, consistent with the provisions of this
13 bill. Health coverage for children in families between 150% and
14 200% of the federal poverty level shall be provided through a
15 state-based private health care program.

16 (2) The department may provide up to 1 year of continuous
17 eligibility to children eligible for the MICHild program unless the
18 family fails to pay the monthly premium, a child reaches age 19, or
19 the status of the children's family changes and its members no
20 longer meet the eligibility criteria as specified in the federally
21 approved MICHild state plan.

22 (3) Children whose category of eligibility changes between the
23 Medicaid and MICHild programs shall be assured of keeping their
24 current health care providers through the current prescribed course
25 of treatment for up to 1 year, subject to periodic reviews by the
26 department if the beneficiary has a serious medical condition and
27 is undergoing active treatment for that condition.

28 (4) To be eligible for the MICHild program, a child must be
29 residing in a family with an adjusted gross income of less than or

1 equal to 200% of the federal poverty level. The department's
2 verification policy shall be used to determine eligibility.

3 (5) The department shall enter into a contract to obtain
4 MICHild services from any HMO, dental care corporation, or any
5 other entity that offers to provide the managed health care
6 benefits for MICHild services at the MICHild capitated rate. As
7 used in this subsection:

8 (a) "Dental care corporation", "health care corporation",
9 "insurer", and "prudent purchaser agreement" mean those terms as
10 defined in section 2 of the prudent purchaser act, 1984 PA 233, MCL
11 550.52.

12 (b) "Entity" means a health care corporation or insurer
13 operating in accordance with a prudent purchaser agreement.

14 (6) The department may enter into contracts to obtain certain
15 MICHild services from community mental health service programs.

16 (7) The department may make payments on behalf of children
17 enrolled in the MICHild program from the line-item appropriation
18 associated with the program as described in the MICHild state plan
19 approved by the United States department of health and human
20 services, or from other medical services.

21 (8) The department shall assure that an external quality
22 review of each MICHild contractor, as described in subsection (5),
23 is performed, which analyzes and evaluates the aggregated
24 information on quality, timeliness, and access to health care
25 services that the contractor furnished to MICHild beneficiaries.

26 Sec. 1673. The department may establish premiums for MICHild
27 eligible persons in families with income above 150% of the federal
28 poverty level. The monthly premiums shall not be less than \$10.00
29 or exceed \$15.00 for a family.

1 Sec. 1677. The MICHild program shall provide all benefits
2 available under the state employee insurance plan that are
3 delivered through contracted providers and consistent with federal
4 law, including, but not limited to, the following medically
5 necessary services:

6 (a) Inpatient mental health services, other than substance
7 abuse treatment services, including services furnished in a state-
8 operated mental hospital and residential or other 24-hour
9 therapeutically planned structured services.

10 (b) Outpatient mental health services, other than substance
11 abuse services, including services furnished in a state-operated
12 mental hospital and community-based services.

13 (c) Durable medical equipment and prosthetic and orthotic
14 devices.

15 (d) Dental services as outlined in the approved MICHild state
16 plan.

17 (e) Substance abuse treatment services that may include
18 inpatient, outpatient, and residential substance abuse treatment
19 services.

20 (f) Care management services for mental health diagnoses.

21 (g) Physical therapy, occupational therapy, and services for
22 individuals with speech, hearing, and language disorders.

23 (h) Emergency ambulance services.

24 Sec. 1680. Payment increases for enhanced wages and new or
25 enhanced employee benefits provided in previous years through the
26 Medicaid nursing home wage pass-through program shall be continued.

27 Sec. 1681. From the funds appropriated in part 1 for home- and
28 community-based services, the department and local waiver agents
29 shall encourage the use of family members, friends, and neighbors

1 of home- and community-based services participants, where
2 appropriate, to provide homemaker services, meal preparation,
3 transportation, chore services, and other nonmedical covered
4 services to participants in the Medicaid home- and community-based
5 services program. This section shall not be construed as allowing
6 for the payment of family members, friends, or neighbors for these
7 services unless explicitly provided for in federal or state law.

8 Sec. 1682. (1) The department shall implement enforcement
9 actions as specified in the nursing facility enforcement provisions
10 of section 1919 of title XIX, 42 USC 1396r.

11 (2) In addition to the appropriations in part 1, the
12 department is authorized to receive and spend penalty money
13 received as the result of noncompliance with medical services
14 certification regulations. Penalty money, characterized as private
15 funds, received by the department shall increase authorizations and
16 allotments in the long-term care accounts.

17 (3) The department is authorized to provide civil monetary
18 penalty funds to the disability network of Michigan to be
19 distributed to the 15 centers for independent living for the
20 purpose of assisting individuals with disabilities who reside in
21 nursing homes to return to their own homes.

22 (4) Any unexpended penalty money, at the end of the year,
23 shall carry forward to the following year.

24 Sec. 1683. The department shall promote activities that
25 preserve the dignity and rights of terminally ill and chronically
26 ill individuals. Priority shall be given to programs, such as
27 hospice, that focus on individual dignity and quality of care
28 provided persons with terminal illness and programs serving persons
29 with chronic illnesses that reduce the rate of suicide through the

1 advancement of the knowledge and use of improved, appropriate pain
2 management for these persons; and initiatives that train health
3 care practitioners and faculty in managing pain, providing
4 palliative care, and suicide prevention.

5 Sec. 1685. All nursing home rates, class I and class III, must
6 have their respective fiscal year rate set 30 days prior to the
7 beginning of their rate year. Rates may take into account the most
8 recent cost report prepared and certified by the preparer, provider
9 corporate owner or representative as being true and accurate, and
10 filed timely, within 5 months of the fiscal year end in accordance
11 with Medicaid policy. If the audited version of the last report is
12 available, it shall be used. Any rate factors based on the filed
13 cost report may be retroactively adjusted upon completion of the
14 audit of that cost report.

15 Sec. 1688. The department shall not impose a limit on per unit
16 reimbursements to service providers that provide personal care or
17 other services under the Medicaid home- and community-based
18 services waiver program for the elderly and disabled. The
19 department's per day per client reimbursement cap calculated in the
20 aggregate for all services provided under the Medicaid home- and
21 community-based services waiver is not a violation of this section.

22 Sec. 1689. (1) Priority in enrolling additional persons in the
23 Medicaid home- and community-based services waiver program shall be
24 given to those who are currently residing in nursing homes or who
25 are eligible to be admitted to a nursing home if they are not
26 provided home- and community-based services. The department shall
27 use screening and assessment procedures to assure that no
28 additional Medicaid eligible persons are admitted to nursing homes

1 who would be more appropriately served by the Medicaid home- and
2 community-based services waiver program.

3 (2) Within 60 days of the end of each fiscal quarter, the
4 department shall provide a report to the senate and house
5 appropriations subcommittees on community health and the senate and
6 house fiscal agencies that details existing and future allocations
7 for the home- and community-based services waiver program by
8 regions as well as the associated expenditures. The report shall
9 include information regarding the net cost savings from moving
10 individuals from a nursing home to the home- and community-based
11 services waiver program, the number of individuals transitioned
12 from nursing homes to the home- and community-based services waiver
13 program, the number of individuals on waiting lists by region for
14 the program, and the amount of funds transferred during the fiscal
15 quarter. The report shall also include the number of Medicaid
16 individuals served and the number of days of care for the home- and
17 community-based services waiver program and in nursing homes.

18 (3) The department shall develop a system to collect and
19 analyze information regarding individuals on the home- and
20 community-based services waiver waiting list to identify the
21 community supports they receive, including, but not limited to,
22 adult home help, food assistance, and housing assistance services
23 and to determine the extent to which these community supports help
24 individuals remain in their home and avoid entry into a nursing
25 home. The department shall provide a progress report on
26 implementation to the senate and house appropriations subcommittees
27 on community health and the senate and house fiscal agencies by
28 June 1 of the current fiscal year.

1 Sec. 1690. (1) The department shall submit a report to the
2 house and senate appropriations subcommittees on community health,
3 the house and senate fiscal agencies, and the state budget director
4 by April 1 of the current fiscal year, to include all data
5 collected on the quality assurance indicators in the preceding
6 fiscal year for the home- and community-based services waiver
7 program, as well as quality improvement plans and data collected on
8 critical incidents in the waiver program and their resolutions.

9 (2) The department shall submit a report to the house and
10 senate appropriations subcommittees on community health, the house
11 and senate fiscal agencies, and the state budget director by April
12 1 of the current fiscal year, to include all data collected on the
13 quality assurance indicators in the preceding fiscal year for the
14 adult home help program, as well as quality improvement plans and
15 data collected on critical incidents in the adult home help program
16 and their resolutions.

17 Sec. 1691. Payment increases provided in previous years to
18 adult home help workers shall be continued. Wages may increase as
19 funds become available.

20 Sec. 1692. (1) The department is authorized to pursue
21 reimbursement for eligible services provided in Michigan schools
22 from the federal Medicaid program. The department and the state
23 budget director are authorized to negotiate and enter into
24 agreements, together with the department of education, with local
25 and intermediate school districts regarding the sharing of federal
26 Medicaid services funds received for these services. The department
27 is authorized to receive and disburse funds to participating school
28 districts pursuant to such agreements and state and federal law.

1 (2) From the funds appropriated in part 1 for medical services
2 school based services payments, the department is authorized to do
3 all of the following:

4 (a) Finance activities within the medical services
5 administration related to this project.

6 (b) Reimburse participating school districts pursuant to the
7 fund-sharing ratios negotiated in the state-local agreements
8 authorized in subsection (1).

9 (c) Offset general fund costs associated with the medical
10 services program.

11 Sec. 1693. The special Medicaid reimbursement appropriation in
12 part 1 may be increased if the department submits a medical
13 services state plan amendment pertaining to this line item at a
14 level higher than the appropriation. The department is authorized
15 to appropriately adjust financing sources in accordance with the
16 increased appropriation.

17 Sec. 1697. (1) As may be allowed by federal law or regulation,
18 the department may use funds provided by a local or intermediate
19 school district, which have been obtained from a qualifying health
20 system, as the state match required for receiving federal Medicaid
21 or children health insurance program funds. Any such funds received
22 shall be used only to support new school-based or school-linked
23 health services.

24 (2) A qualifying health system is defined as any health care
25 entity licensed to provide health care services in the state of
26 Michigan, that has entered into a contractual relationship with a
27 local or intermediate school district to provide or manage school-
28 based or school-linked health services.

1 Sec. 1699. The department may make separate payments directly
2 to qualifying hospitals serving a disproportionate share of
3 indigent patients in the amount of \$50,000,000.00, and to hospitals
4 providing graduate medical education training programs. If direct
5 payment for GME and DSH is made to qualifying hospitals for
6 services to Medicaid clients, hospitals will not include GME costs
7 or DSH payments in their contracts with HMOs.

8 Sec. 1711. (1) The department shall maintain the 2-tier
9 reimbursement methodology for Medicaid emergency physicians
10 professional services that was in effect on September 30, 2002,
11 subject to the following conditions:

12 (a) Payments by case and in the aggregate shall not exceed 70%
13 of Medicare payment rates.

14 (b) Total expenditures for these services shall not exceed the
15 level of total payments made during fiscal year 2001-2002, after
16 adjusting for Medicare copayments and deductibles and for changes
17 in utilization.

18 (2) To ensure that total expenditures stay within the spending
19 constraints of subsection (1)(b), the department shall develop a
20 utilization adjustor for the basic 2-tier payment methodology. The
21 adjustor shall be based on a good faith estimate by the department
22 as to what the expected utilization of emergency room services will
23 be during the current fiscal year, given changes in the number and
24 category of Medicaid recipients. If expenditure and utilization
25 data indicate that the amount and/or type of emergency physician
26 professional services are exceeding the department's estimate, the
27 utilization adjustor shall be applied to the 2-tier reimbursement
28 methodology in such a manner as to reduce aggregate expenditures to
29 the fiscal year 2001-2002 adjusted expenditure target.

1 Sec. 1716. The department shall seek to maintain a constant
2 enrollment level within the Medicaid adult benefits waiver program
3 throughout fiscal year 2009-2010.

4 Sec. 1717. (1) The department shall create 2 pools for
5 distribution of disproportionate share hospital funding. The first
6 pool, totaling \$45,000,000.00, shall be distributed using the
7 distribution methodology used in fiscal year 2003-2004. The second
8 pool, totaling \$5,000,000.00, shall be distributed to unaffiliated
9 hospitals and hospital systems that received less than \$900,000.00
10 in disproportionate share hospital payments in fiscal year 2007-
11 2008 based on a formula that is weighted proportional to the
12 product of each eligible system's Medicaid revenue and each
13 eligible system's Medicaid utilization, except that no payment of
14 less than \$1,000.00 shall be made.

15 (2) By September 30 of the current fiscal year, the department
16 shall report to the senate and house appropriations subcommittees
17 on community health and the senate and house fiscal agencies on the
18 new distribution of funding to each eligible hospital from the 2
19 pools.

20 Sec. 1718. The department shall provide each Medicaid adult
21 home help beneficiary or applicant with the right to a fair hearing
22 when the department or its agent reduces, suspends, terminates, or
23 denies adult home help services. If the department takes action to
24 reduce, suspend, terminate, or deny adult home help services, it
25 shall provide the beneficiary or applicant with a written notice
26 that states what action the department proposes to take, the
27 reasons for the intended action, the specific regulations that
28 support the action, and an explanation of the beneficiary's or
29 applicant's right to an evidentiary hearing and the circumstances

1 under which those services will be continued if a hearing is
2 requested.

3 Sec. 1728. The department shall make available to qualifying
4 Medicaid recipients, not based on Medicare guidelines, freestanding
5 electrical lifting and transferring devices.

6 Sec. 1731. The department shall continue an asset test to
7 determine Medicaid eligibility for individuals who are parents,
8 caretaker relatives, or individuals between the ages of 18 and 21
9 and who are not required to be covered under federal Medicaid
10 requirements.

11 Sec. 1733. (1) The department shall seek additional federal
12 funds to permit the state to provide financial support for
13 electronic prescribing and other health information technology
14 initiatives.

15 (2) The department shall develop a 3-year strategic plan for
16 the implementation of electronic prescribing for the Medicaid
17 program.

18 Sec. 1734. The department shall seek federal money for
19 demonstration programs that will permit this state to provide
20 financial incentives for positive health behavior practiced by
21 Medicaid recipients, including, but not limited to, consumer-driven
22 strategies that enable Medicaid recipients to choose coverage that
23 meets their individual needs and that authorize monetary or other
24 rewards for demonstrating positive health behavior changes.

25 Sec. 1740. From the funds appropriated in part 1 for health
26 plan services, the department shall assure that all GME funds
27 continue to be promptly distributed to qualifying hospitals using
28 the methodology developed in consultation with the graduate medical
29 education advisory group during fiscal year 2006-2007.

1 Sec. 1783. The department shall permit the enrollment of
2 individuals dually eligible for Medicare and Medicaid into Medicaid
3 health plans if those health plans also maintain a Medicare
4 advantage special needs plan certified by the centers for Medicare
5 and Medicaid services.

6 Sec. 1786. (1) For services where the actual length of stay is
7 less than the published low-day threshold, reimbursement for
8 inpatient admissions shall be the actual charge multiplied by the
9 individual hospital's cost-to-charge ratio net of indirect medical
10 education, not to exceed the full diagnosis related group payment
11 rate.

12 (2) The reimbursement changes specified in subsection (1)
13 shall not be implemented unless the changes are budget-neutral.

14 (3) The department shall define a low-day threshold of 1 as an
15 inpatient stay of less than 24 hours.

16 Sec. 1804. The department, in cooperation with the department
17 of human services, shall work with the federal government's public
18 assistance reporting information system to identify Medicaid
19 recipients who are veterans who may be eligible for federal
20 veterans health care benefits or other benefits.
21